GSA

GSA Public Buildings Service

pricing implementation for project management

pricing desk guide

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Executive Summary

Implementation of pricing into the Public Buildings Service (PBS) projects is a business process that results in improved project management. Flexibility is a key factor for the project teams, recognizing there is no single approach for every situation.

- **The intent of pricing is to account for the costs of building shell and tenant improvement (TI) work separately in a business process that models the private sector approach to real estate development.**

- **This process commences in the Project Development Phase with the Feasibility Study (FS) and establishes shell and TI budgets for building functional space.**

- **The design and construction phases are managed to track the shell and TI budgets established during earlier phases.**

- **This business process will result in Occupancy Agreements (OA's) with rent that reflects the costs incurred for the project.**

The financial theories and applications discussed in this guide were coordinated through a National PBS Task Force, including the architectural/engineering (A/E) and construction communities, as well as a GSA tenant representative. The tools presented demonstrate a business process that reflects building shell and TI costs by agency in accordance with the *GSA Public Buildings Service pricing desk guide* (hereinafter referred to as the *PBS pricing desk guide*). The tools provide the project team with samples for tracking the financial status of a project from planning to occupancy.

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Chapter I: Project Process Overview

Introduction

Project planning is the first step in the project development process. Cost estimates generated during the planning phase set the foundation for the project's success. An Outline of the Complete Project Process is provided to highlight the critical steps in the process from planning to occupancy. Projects addressed in the outline include: *New Construction (Budget Activity [BA]51); Lease (BA53); Repair and Alteration (R&A) non-prospectus (BA54); and R&A Prospectus (BA55).* The outline shows the major steps with emphasis on the critical issues for implementing PBS pricing into a project. Timelines have also been developed for typical delivery methods and ease of reference:

Exhibit **I-1 -Traditional Delivery Approach (BA51/BA55 projects)**
I-2 -Design/Build Approach (D/B)
I-3 -Construction Manager as Constructor (CMc)
I-4 -Prospectus Lease
I-5 -Traditional Delivery Approach with Tenant Package

The timeline for the Traditional Delivery Approach is attached as Exhibit I-1 and is useful for discussion purposes with the project team. Timelines for other project delivery methods are also provided.

The process for each budget activity is a little different, but the overall philosophy for pricing remains the same. The project team must identify the estimated costs (hard and soft costs) for completing each agency's TI work. The key in the development phase is to examine the requirements and ensure that the cost estimates will provide functional space for each agency.

Once cost estimates of functional space have been developed, they will be used to perform the financial analysis of the project and to develop the Proforma Occupancy Agreements (OA's). The goals of the planning phase are to:

- **Develop a project that meets the needs of the client;**
- **Provide PBS a reasonable rate of return on the investment; and**
- **Deliver space at a competitive rent rate to the client.**

The pricing for shell and TI influences the design phase in four primary areas:

- **Managing and tracking A/E and CM fees;**
- **A/E document preparation;**
- **Project cost estimates and reviews; and**
- **Managing agency expectations for their finished space.**

The decisions made starting at the Feasibility Study (FS) through the design phases will drive the construction phase strategies and impact the:

- **Structure of A/E deliverables;**
- **Contract delivery methods;**
- **Financial management and tracking of shell and TI during construction; and**
- **OA updates.**

Outline of Complete Project Process

A. Project Initiation

The development process starts with a space request from an agency or as a result of on-going regional studies, such as Building Evaluation Reports (BERs), which identify building modernization needs.

1. Regional Portfolio Management assembles the Project Team

Possible members (throughout life of project):

- **Asset Manager (leads team through completion of Program Development Study (PDS)**
- **Regional Account Manager**
- **Building/Property Manager**
- **Realty Specialist**
- **Site Acquisition Specialist**
- **Federal Protective Service**
- **Project Executive/Project Manager and Estimator**
- **Contracting Officer**
- **Client Agencies**
- **National Office - Portfolio Liaison, Courthouse Management Group**

2. Informal study completed by project team

a. Review the Local Portfolio Plan (LPP)

b. Government owned vs. leased

c. Conduct preliminary financial analysis

d. Determine if space request will be satisfied in existing lease, new lease or owned space.

e. Satisfy space request:

- If non-prospectus, put project into Leasing (BA53) or Repair and Alteration (R&A) (BA54) regional pipeline; and

- If a prospectus is required, commence formal study.

B. Non-Prospectus Project Process

1. **Leasing Project (BA 53)** (no timeline provided)
   - a. Assemble and review agency requirement
   - b. Draft TI Solicitation for Offers (SFO)
     - Specify what is considered shell and TI (reference Section 2.2 and 2.3 of the ***PBS pricing desk guide***)
     - Set TI allowance using tier or cost estimate for functional space
     - Specified TI allowance must cover design (from construction documents forward) and CM services associated with the TI
     - Specify demolition costs are a part of shell
     - Prepare Proforma OA (signed by agency)
   - c. Issue SFO
     - Negotiate shell, operating expenses
     - Revise OA and obtain agency signature after Final Proposal Revisions (FPR) (formerly called Best and Final Offers [BAFO])
     - Award lease
   - d. Negotiate TI
     - Obtain Government TI cost estimate if needed
     - Provide Design Intent Drawings (DIDs) for each agency
     - Negotiate TI w/buildout price with lessor
     - Prepare final OA, providing breakdown of TI costs, and obtain agency signature
     - Require final Space Design Drawings (SDD) from lessor

2. **R&A Project (BA54)** (no timeline provided)
   - a. Determine project scope: Standard Form (SF)-81, BER
   - b. Estimate preliminary shell and TI costs to be included in project budget
   - c. Prepare Proforma OA (signed by agency)
     - Contract for DID's with supplemental A/E
       Prepare shell and TI cost estimate for functional space based on DID's
     - Revise TI budget if necessary
     - Notify agency if a Reimbursable Work Authorization (RWA) is required
   - d. Revise OA and obtain agency signature

e. Complete design with supplemental A/E

f. Award Construction Contract addressing shell and TI costs

- Request additional RWA money if necessary
- Revise the OA (signed by agency)
- Track costs for design services, CM services, construction, and change orders

g. Summarize the shell and TI costs at project completion

- Prepare final OA and obtain agency signature

C. Prospectus Project Process

(Reference Timelines, Exhibits I-1 through I-5, for BA51, 53, and 55 projects)

1. **Feasibility Study (FS) compiled by Team (typically funded in BA61)**

a. Determine project scope

b. Identify/Analyze housing alternatives

- Federally owned (alterations)
- Lease
- Disposal
- New construction

c. Technical Analysis

- Housing Plan
- Lease alternative-market lease rates and scoring analysis
- ***Capital Costs - breakdown by shell and each agency's TI (based on benchmarks, cost estimates for functional space, and/or tiers).***
- ***Establishes the firewall between shell and TI***
- National Environmental Policy Act (NEPA)-Environmental Assessment (EA); Environmental Impact Study (EIS)
- Evaluate Potential Sites - consider location, size, cost and Uniform Relocation Act
- Retention/Disposal Studies
- Life Cycle Costs (LCC)
- Project Delivery - identification of project team
- Draft Project Management Plan (PMP) completed by project team
- BER
- Preliminary space layout determines tier adequacy (for BA55 only)

d. Financial Analysis

- **Investment Proforma - Net Present Value (NPV) used in new construction performance measure**
- **Multi-Asset Portfolio Planning (MAPP) model analysis**
- **The Automated Prospectus System (TAPS)**
- **Asset Business Plan (ABP)**
- **Local Portfolio Plan (LPP)**

e. Recommend the preferred alternative, based on the technical and financial analysis that balances client agency, asset, and portfolio objectives/needs.

f. Submit draft FS to National Office Portfolio Management for concurrence

g. Capital Investment Program Measure - set baseline schedule for the internal and external performance measures, based on the PMP.

2. Prepare Proforma (draft) OA's for prospectus level projects

a. Square footage required

b. Term of OA

c. OA Clauses

- **Note: If agency requested changes in design or construction impact the schedule, the agency will be responsible for associated direct and indirect costs.**

d. Rent - OA Financial Summary Page

- **Shell - appraisal (market) based or Return on Investment (ROI) for owned space; pass through for leased space.**
- **Shell rent includes:**
  - **Shell design**
  - **Tenant's DIDs (on initial occupancy only, Section 2.3.3 PBS *pricing desk guide*)**
  - **CM services of shell construction**
  - **Shell construction**
  - **Shell contingency**
  - **Shell change orders**
  - **GSA management of project (shell & TI) (BA's51,54 and 55)**
- **TI allowance includes:**
  - **TI design (A/E, CM) - after DID's (initial occupancy only)**
  - **TI CM services (contract costs)**

- TI contingency
- TI construction
- TI change orders
- ***Tenant requested changes to shell or TI***
- Tenant specific security

- Operating Expenses - appraisal based or actual for Return on Investment (ROI) in owned space; pass through for leased space
- Security Charges
  - Basic security charges
  - Building specific security charges (amortized capital)
- Parking
- Other charges, i.e. antennas
- GSA Fee (BA53 only)
- Joint Use Rent - Cafeteria, Fitness Facility, etc.

e. OA clauses with pricing impact to tenant

- Agency understanding/agreement on TI allowance
- RWA required with supporting line item estimates and establish due dates for funding

f. **Submit OA and TI cost breakdown to agency for review and signature. TI should include all TI costs above. <u>Allow adequate time for review by agency.</u>**

3. **Project Delivery Rating Index (PDRI) analysis**

Project team completes PDRI analysis. This analysis includes a weighted checklist of important scope definition elements in a score sheet format. The process promotes consistency and good communications. It also identifies where the team stands in terms of project risk at the time of the PDRI evaluation. The team then develops a plan of action for the next project phase to improve potential for project success. The completion of the PDRI evaluation is recommended, as a minimum, concurrent with the preparation of the design and construction prospectus submittals, but may be utilized at any point by the team.

4. **Lease Prospectus (BA53) prepared by project team (Exhibit I-4)**

The timeline reflects the process for build-to-suit, prospectus-level leasing actions. The TI SFO will be utilized within a Source Selection process to select the developer.

Note: The PBS pricing policy applies to lease projects (BA53). The implementation for lease projects shall be in accordance with the TI SFO guidance currently in effect.

5. Construction Prospectus prepared by project team (New construction [BA51] and R&A [BA55] [Exhibits I-1 through I-3 and I-5])

a. Site/Design Prospectus Submittal (January to National Office Portfolio)

- **Capital Investment and Leasing Program (CILP) Call details required documents for prospectus submittals:**
  - **FS**
  - **Project Data Sheet**
  - **Draft PMP**
  - **New Construction Alternative Cost Estimate based on General Construction Cost Review Guide (GCCRG)**
  - **Uniformat Level III cost estimate (Form 3597)**
  - **Investment Proforma**
  - **The Automated Prospectus System (TAPS) analysis**
  - **Housing plan**
  - **Site survey**
  - **Prospectus**
- **Signed OA**
- **If D/B submittal, PDS will be included**

b. National Office Portfolio reviews projects from all regions

- **GSA national office selects most viable projects**

c. Prospectus to Office of Management and Budget (OMB) in September

- **OMB passback to GSA. GSA has opportunity to make changes based on OMB recommendation (November-December)**
- **OMB submits final projects to be included in President's budget**

d. Office of Chief Architect notifies region to begin site, design and CM procurement (January)

e. President recommends total national program budget to Congress (February)

f. Begin PDS (typically using BA61 funds to contract with design A/E or supplemental A/E)

- **Refine project scope and budget estimates from the FS**
  - **Confirm agency housing program**

- **Update project schedule**
- **Update cost estimate (form 3597) for shell, TI, and RWA cost breakdown by agency. Update TI's and firewall to support the construction prospectus.**
- **Identify appropriate work items as required for prospectus (BA55 only)**
- **Update project design and inspection costs**
- **Commence preliminary site studies and soil testing**

g. **Congress approves all/part of Presidential Budget package**

h. **GSA National Office receives appropriations for A/E design, CM reviews and site procurement (construction for D/B) from Congress**

- **Region requests funding and receives allowance document from PBS Chief Financial Officer (January)**

i. **Architect/Engineer Contract**

- **Components of Contract for pricing implementation**
    - **Statement of GSA pricing goals**
    - **Definition of shell and TI**
    - **Breakdown of A/E fee-shell, TI and reimbursable, if applicable**
    - **Space Design Drawings (SDD) (Real Estate Tabulation Deliverable)**
    - **Format of the construction contract (identification of shell and TI packages)**
    - **Breakdown of construction budget provided by GSA for shell & TI**
    - **Cost Estimating Services**
        - **Shell and TI**
        - **Security**
        - **Joint Use Space**
    - **A/E prepares Program Development Study (PDS) (criteria to be provided by National Office)**
    - **Refinement of project scope and budget estimates in FS (to be submitted with construction prospectus)**

- **Project Tracking Tool**
  - **Project Manager A/E Design Fee Log**
- **Formal Partnering sessions commence**

j. **Construction Management (CM) Contract (as appropriate)**

- **Components of CM Contract for pricing implementation for design and/or construction phases services:**
  - **Statement of GSA pricing goals**
  - **Definition of shell, TI**
  - **Breakdown of CM fee-shell, TI, and reimbursable if applicable**
  - **Tracking change order costs by shell and TI**
  - **Reviewing and tracking shell and TI construction costs during the stages of construction**
  - **Monthly meetings during construction to review budget and expenditures against shell and TI**
  - **Maintain spreadsheets for tracking shell and TI**

k. **PDRI evaluation performed by Team**

The team completes PDRI evaluation prior to submittal of construction prospectus to examine current status of project elements at risk. The team develops a plan of action for next project phase.

l. **Submit Construction Prospectus**

- **CILP Call details required documents**
  - **Project Data Sheet**
  - **Updated PMP**
  - **New Construction Alternative cost estimate (GCCRG)**
  - **Uniformat Level III, Form 3597 cost estimate (updates firewall)**
  - **Investment Proforma**
  - **TAPS analysis**
  - **Housing plan**
  - **PDS**
  - **Prospectus**
  - **Signed OA**

m. **National Office Portfolio reviews projects from all regions**

- **GSA National Office evaluates and selects most viable projects**

n. **Prospectus to Office of Management and Budget (OMB) (September)**
    - **OMB passback to GSA. GSA has opportunity to make changes based on OMB recommendation (November-December)**
    - **OMB submits construction projects to be included in President's budget**

o. **Region begins construction procurement process**

p. **President recommends total national program budget to Congress (February)**

q. **Congress approves all/part of Presidential Budget package**

r. **GSA National Office receives appropriation for construction from Congress**
    - **Region requests funding and receives allowance document from PBS Chief Financial Officer (January)**
    - **Region awards construction contract**

s. **Construct Building - manage shell and TI costs**

t. **Substantial Completion of Project**

u. **Prepare financial summary sheet for use in completion of final OA**

v. **Final OA sent to agency for signature with TI Financial Summary**
    - **Closeout RWA's**
    - **Assignments made in STAR by Reality Specialist**

w. **Move In/Rent Starts**

x. **Post Occupancy Evaluation**

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Chapter II: Project Development Phase

Introduction

Planning is key to the success of any project. The major changes resulting from pricing revolve around the separation of building shell and TI costs. Cost estimates for shell and TI for each agency are required and will set the respective budgets. The FS, PDS, and Proforma OA's will reflect costs for the shell and TI for each agency.

The project team will evaluate the special and unique requirements of the project and develop an appropriate strategy to execute the design and construction of the project. They will make decisions and recommendations for the CILP to include:

- **Procurement method**
- **Project schedule; and the**
- **Estimated total project costs**

The team will demonstrate how the proposed procurement strategy will contribute to the project's success.

A. Feasibility Study

The team will assemble the FS in accordance with the current GSA Feasibility Study Guide issued by the Office of Portfolio Management. The team will typically utilize a combination of GSA and contract staff to complete the study. To realize the maximum benefits in financial management of the project, the team will require shell and TI cost estimates to be broken out for both new construction and R&A projects. A sample A/E Delivery Order, Scope of Work for the Feasibility Study, is shown as Exhibit II-1.

B. Firewall

The estimates received at the conclusion of the project development phase will establish the "Firewall" between building shell and TI budgets. The integrity of the firewall is vital to the team and its financial management of the project. Both in terms of capital funding and in billing, the boundary between building shell and TI work is critical to the effective operation of the PBS pricing policy in owned space. The boundary between building shell and TI work constitutes an impermeable barrier or "firewall" across which funding cannot move, reference Section 2.2.1 of the *PBS pricing desk guide*. The firewall is initially established during preparation of the design prospectus and updated during preparation of the construction prospectus. The respective prospectus documents reflect the project budget. Building shell and TI budgets are reflected in GSA backup data for the prospectus submittals.

C. Estimate of Tenant Improvements

The project team will obtain separate estimates for the shell and each TI. It is the team's option to utilize the agency's general and customization allowance; benchmarks (if available); or obtain a cost estimate for functional space. Estimates are also required for Joint Use Space & Building Specific Security to complete the project budgets. These costs will be used to prepare the Proforma OA's submitted with the design prospectus and will be included in the draft Project Management Plan (PMP).

D. Financial Management of Shell and TI budgets

The team will track the costs for shell and TI throughout the project. They will allocate the A/E and CM design services (basic services) for TIs after the DID phase, based on the agency's percentage of the Estimated Construction Cost at Award (ECCA). For specific tenant services i.e., court security specialist, the costs will be recovered as a direct pass-through to the tenant. The project team will determine appropriate budget breakdowns.

(Note: For purposes of pricing implementation, DID's will be considered synonymous with the completion of the design development phase.)

1. Establishing A/E and CM Budgets

Tenants are charged for their portion of the design and construction costs of the project. It is necessary to break down the negotiated A/E fee into the design components: Predesign, Concepts, Design Development (DD's), and construction documents (CDs), shop drawings, construction administration, and record documents. GSA is responsible for funding shell items. Shell includes DIDs (for initial space occupancy only). The management of the agency's portion of the design fee starts at the CD phase and concludes at project completion.

The A/E and CM budgets will be based on the PBS Estimating Tool for PBS Design and Construction Services (Exhibit II-2). The budgets will be prorated by shell and TI for the project. A sample spreadsheet is provided as Exhibit II-3 for allocating the budgets for each tenant, based on a percentage of ECCA. This spreadsheet will provide the appropriate breakout of fees to be included on the shell and TI tracking documents.

2. Shell and TI tracking

Sample spreadsheets are provided which demonstrate the allocation of the shell and TI budgets by agency, Exhibit II-3 - Negotiated A/E and/or CM Fee Breakdown (contract insert) and Exhibit II-4 - A/E and/or CM Fee - Project Manager's Log. TI budgets will be maintained for each tenant, as well as for separate programs, i.e., security, as required for OA's.

E. Draft A/E and/or CM scopes of work

The project team will require A/E and CM (if applicable) design services that separate shell and TI design documents/bidding packages and that support the procurement strategy developed by the team. If pre-construction services of the CM are required, the standard CM contract will be modified. A sample CM scope of work for Construction Services is shown as Exhibit II-5. (Sample A/E provisions are provided in Chapter III, Design Phase, Exhibits III-1and III-2.)

F. Shell and TI revisions

As additional cost estimates, actual fees and construction bid prices are received, the OA's will be updated concurrently by the team to reflect current fees and/or bid prices.

G. Deliverables

1. During the Project Development Phase, the project team will complete the following, including but not limited to:

- **Completed FS**
  - **Project scope**
  - **Estimates for project with shell and TI costs by agency**
  - **Technical and financial analysis of viable alternatives**
  - **Identification of best alternative**
- **Draft PMP**
  - **Recommended procurement strategy**
  - **Proposed project schedule**
  - **Proposed project budget**
- **Proforma OA**
- **PDRI**
- **Site/Design Prospectus**
  - **Sets schedule and budget for project**
  - **Establishes Firewall**
  - **Communications w/ customer on TI budgets**
  - **(PDS if Design/Build procurement recommended)**
- **Site selection criteria**
- **Establish panel for A/E and CM scopes of work**
- **Establish panel for Art-in-Architecture selection**

2. Work will commence to prepare for construction prospectus submittal:

- **PDS**
  - **Estimates with final shell and TI costs**
  - **Final project budget**

Pricing Implementation Guide
Exhibit II-1

A/E Delivery Order Scope Of Work for Feasibility Study

I. Scope of Services

The purpose of this Feasibility Study (FS) is to allow the General Services Administration (GSA) to evaluate prospectus-level proposed projects which meet tenant agency space needs and Government-owned facility requirements. It will also be used to determine the preferred alternative and basis for preparing a Program Development Study (PDS) which will meet the housing needs of _____and _____, and _____, in _____ through the year 20__.

The Architect-Engineer (A/E) shall utilize their professional expertise to develop and provide an FS that documents an analytical process which explores viable alternatives for meeting these requirements and validates the selection of a preferred alternative.

A. Scope Objectives

1. **To prepare the FS for the identified <u>renovation/new construction</u> project, establishing the basic requirements for which a real estate solution is sought.**

2. **To evaluate the viability of different project alternatives based on the parameters and work elements developed in the needs assessment.**

3. **To analyze each viable alternative both technically and financially.**

4. **To provide recommendations on the preferred alternative that is**

the best solution for meeting client agency, asset, and portfolio objectives.

5. **To prepare an FS that will be used by the regional office as the basis for requesting development and funding of a design prospectus.**

B. Terms and Abbreviations:

1. GSA	**General Services Administration**
2. A/E	**The Architectural Engineering Firm doing the feasibility study.**
3. ANSI	**American National Standards Institute**
4. BA	**Budget Activity**
5. BOMA	**Building Owners and Managers Association International**
6. CO	**Contracting Officer (representing GSA and the U. S. Government)**
7. COR	**Contracting Officer's Representative (Prime contact for the A/E)**
8. COTR	**Contracting Officer's Technical Representative**
9. CADD	**Computer Aided Design and Drafting**
10. ECCA	**Estimated Construction Cost at Award**
11. FBF	**Federal Building Fund**
12. NTP	**Notice to Proceed (given by the CO)**
13. PBS/P-100	**Facilities Standards for the Public Buildings Service Handbook, Metric or English Version**
14. USCDG	**United States Courts Design Guide**
15. FS	**Feasibility Study**
16. CILP	**Capital Investment and Leasing Program**
17. PO-CT	**Post Office-Courthouse**
18. PT	**Office of Portfolio Management**
19. LLP	**Local Portfolio Plan**
20. ABP	**Asset Business Plan**
21. NBC	**National Building Code**
22. NEPA	**National Environmental Policy Act**
23. NFPA	**National Fire Protection Association**
24. MAPP	**Multi-Asset Portfolio Planning**
25. OMB	**Office of Management and Budget**
26. NA	**Needs Assessment**
27. SBC	**Standard Building Code**
28. TAPS	**The Automated Prospectus System**
29. BER	**Building Evaluation Report (or Building Condition Assessment)**
30. TI	**Tenant Improvements**

II. Project Overview

A. Project Identification

Title: _____
Location: _____

B. Project Background

The _____ Building in _____, _____ consists of _____ floors and a basement. The ____ Building is comprised of approximately _____ gross square feet, _____ rentable square feet, and _____ usable square feet (usf).

The major tenant of the building is the _____ of _____ (_____ usf). A total of _____ usf are required in order to meet the long range plans for the __[agency]__. The GSA's intention is to _____[business needs – eg expansion of agency, improvements to building, and related leases]_____.

GSA requires a technical analysis that will be utilized in determining the preferred alternative.

C. Overall Project Goals and Objectives

Business Goals:
[add the critical goals – such as long-term agency space needs, provide long-lasting assets, superior buildings with low maintenance, low operating costs, functional and technologically efficient and flexible; meet all code and mandated regulations]

Project Objectives:

- **To provide a facility which is the most economically feasible to the GSA, the tenant agencies, and the taxpayer.**
- **To provide a facility that will be designed to emphasize the solemnity, strength, and integrity of the ____[Agency]____.**

- **To design a facility that meets the functional and special design requirements of the tenant agencies.**
- **To fulfill all applicable goals and criteria stated in the referenced handbooks and directives.**
- **To comply with all applicable safety, environmental, and historic preservation requirements of the federal, state, county, or city agencies.**
- **To provide an energy efficient facility.**
- **To promote efficient space utilization throughout the facility.**
- **To provide a facility that is accessible and usable by the physically disabled and which meets all applicable codes and requirements.**
- **To provide a facility that is responsive to the surrounding environment and is an asset to the community.**
- **To provide an objective, cost/benefit evaluation as a basis to determine and recommend the appropriate course of action for the Government.**

III. Statement of Services

The A/E shall provide all professional services necessary to design and prepare documents specified in this scope of work.

A. General

1. The A/E shall prepare an FS that identifies the significant conditions, general direction, and best technically feasible alternative for the Government

a) In developing the package, the A/E must investigate all data and identify/refine all viable alternatives for the relevant project .

b) The A/E shall prepare submittals to comply with all the requirements indicated in this scope of work. Specific tasks include, but are not limited to the following:

(1) Investigate current conditions. Schedule and conduct field investigations of the current location, proposed sites, and neighborhood: develop base maps; collect

and analyze existing information; set up and carry out interviews with personnel from client agencies (if necessary), regulatory groups, planning agencies, and GSA building operations.

(2) Establish the overall project needs.

(3) Establish project parameters for evaluating each of the alternatives. Develop goals, objectives, trade-offs and priorities.

(4) Assist GSA in developing the full range of viable alternatives within existing assets, new facilities/additions, lease or purchase alternatives, and/or combinations of these.

(5) Develop and assess each of the alternatives as to their technical viability.

(6) Provide relevant information to allow GSA to complete their long-term financial analysis.

(7) During the submission phase, alternatives may be added, deleted and/or modified.

(8) Make recommendations to GSA as to the best technically feasible alternative.

(9) Document the GSA decision of the best technically feasible and long-term financial alternative, to include advantages, disadvantages for each alternative and GSA's reasoning behind selecting the 'best' alternative.

(10) Organize and present program information in a clear, concise, reporting format as defined in the scope of work.

(11) Present reports to project groups as requested by the contracting officer.

(12) Prepare separate construction cost estimates for shell and Tenant Improvement (TI) costs.

B. Feasibility Study (FS)

The A/E shall prepare the FS for the indicated project, conforming to the content and direction within the Feasibility Study Guide and as supplemented by this scope of work.

**Suitable for transition projects*

Generally, the FS should include the following in order to allow for capital development decision making and to support the prospectus:

- **Client/Asset Needs Assessment**
- **Benchmark Level Project Cost Estimate**
- **Procurement Strategy**
- **Delivery Schedule**
- **Identification and Study of Viable Alternatives**
- **Technical and Financial Analysis of Viable Alternatives**
- **Selection and Justification of Preferred Alternative**
- **Supporting/Input Documentation**
- **Documentation and reporting the GSA decision of the 'best alternative**

1. Format:

The study shall be presented in sections as indicated below. All FS materials shall be provided in 3-ring binders or some other format.

- **Executive Summary. A summary statement of the project need, background, project approach, address current and projected needs, identify alternatives, and provide a comparative analysis.**

- **Introduction: This section should include the key issues to be addressed for housing the client agencies and overall strategy for obtaining this goal**

- **Existing Conditions: This section will provide current community and space profile, including economics, environmental, historical, and housing data.**

- **Needs Assessment: This section will identify agency requirements, reference space standards, and planning considerations.**

- **Viable Alternative Development: This section shall formulate and present the viable alternatives for meeting the requirements. This section shall include significant characteristics, strengths and**

weaknesses, and comments on why an alternative was rejected or selected for further analysis.

- **Analysis of Viable Alternatives: This section shall contain the technical and financial evaluation criteria with their weighted values and resulting analysis for each alternative.**

- **Preferred Alternative: This section should address the viable alternative that is preferred for the project. A written summary shall provide clear and concise justification for proceeding with the preferred alternative as part of the Capital Investment and Leasing Program. This shall include technical/first costs of each alternative; financial long-term returns for each alternative; advantages/disadvantages of each alternative; lease and swing space issues related to each alternative; and reasoning for GSA selecting the 'best' alternative.**

2. Approach

FS preparation shall include the work itemized within the scope of work.

a) General:

(i) In addition to the narrative, the FS should contain, where applicable, any site plans, floor plans, schematics, sketches, and other graphic diagrams that best demonstrate the viability of the project alternative.

b) Existing Conditions:

(i) Perform field investigations.
(ii) Examine the spaces and conditions in the existing building.
(iii) Provide an assessment on alternatives for commercial uses of the existing building, estimating appropriate rental rates and general tenant improvement costs to accommodate both public and private uses.
(iv) Tour and photograph a minimum of three potential sites for Federal construction.

(v) Obtain base maps.
(vi) Research market trends and competing new projects.
(vii) Research uses of neighboring properties and economic health of the neighboring areas.
(viii) Provide information on environmental issues.
(ix) Provide information on supply/demand potentials.
(x) Potential uses of the existing _____.,
(xi) Address any historical issues.
(xii) Investigate and document existing housing of Federal agencies.
(xiii) Discuss the project with the Asset Manager, project team, and other various user group representatives (if necessary).

c) Overall Needs Assessment (NA):

The NA establishes the basic requirements for which a real estate solution is sought. Needs may be client or asset based and must be of sufficient scope to require a prospectus-level capital project. Building Evaluation Reports (BER), historic studies (if applicable), other studies (such as structural, National Environmental Policy Act [NEPA], hazmat, seismic, site investigation), Asset Business Plans (ABP), Client Plans, and Local Portfolio Plans (LPP) are critical tools for the evaluation of client agency and Federal facility needs. This assessment is used to articulate changing client mission, changing client housing requirements, deterioration in asset condition, and decline in asset financial performance. The NA should be performed in sufficient detail to clearly define a goal/required outcome.

(i) Provide each agency's requirements including personnel projections by examining the total project areas to be accommodated.
(ii) Provide joint-use and facility support requirements including accommodations for shared conference rooms, food service, health and fitness units, child-care units, and custodial and maintenance areas.
(iii) Identify what user groups form the base program of needs to be met.
(iv) Reference the space standards to be applied in the planning

process. Area requirements will follow the definitions of the Standard Method for Measuring Floor Area in Office Buildings.- American National Standards Institute/Buildings Owners and Managers Association, International (ANSI/BOMA), Z65.1 – 1996.

(v) Identify specific and unique planning considerations that relate to the functional components in the project. Include all types of parking requirements in the analysis.

(vi) Detailed individual space requirements are not required in this early stage, only the aggregate areas, by functional component will be addressed. A housing plan, as per referenced examples, shall be developed presenting the useable, rentable, and gross area requirements of the assessment. To allow cost analysis by space type, the housing plan shall provide the functional group space requirements divided into office, storage, and special space totals. Further division of special space is required to differentiate construction costs based on GSA established criteria for shell and tenant improvements (TI) in the *General Services Administration PBS pricing desk guide*. (hereinafter referred to as the *PBS pricing desk guide*).

(vii) Delineate requirements to meet both the 10-year and 30-year need.

d) Alternative Development:

(i) Describe each of the alternatives.

(ii) Describe site evaluation and sites considered. The site should meet the needs of the 30-year plan. At least three (3) sites must be presented for new Government construction alternative.

(iii) Provide preliminary site geo-technical information, and the rating of each site.

(iv) Provide the strengths and weaknesses of each of the alternatives. Present each of the schemes developed for consideration with a site plan and a proposed housing plan for each.

(v) Viable alternatives may include the following types of activities/actions and should not require unavailable resource levels or unobtainable authority:

- *Alteration*
- *New Construction*
- *Lease*
- *Lease with Option to Purchase*
- *Build-to-Suit*
- *Purchase*
- *Disposal*
- *Sale/Leaseback*
- *Section 111 Outlease (in historic buildings)*
- *No Action/Status Quo*
- *Any combination of the above*

In addition, the method of delivery should be evaluated, such as:

- *Design/Build*
- *Design/Bid/Build*
- *Phased Funding/Execution*
- *Swing Space Requirements*
- *Affect of existing and any new leases needed*
- *Phased Move Out/Move In*

e) Technical and Financial Comparative Analysis of Viable Alternatives:

Viable alternatives are considered which would satisfy the client agency space needs and/or the facility repair requirements. Each alternative should be analyzed in the context of regional and national business strategies, technical merit, other business/investment opportunities, capital (first) cost, and financial impact to the Federal Buildings Fund (FBF).

Office of Management and Budget (OMB) Circular A-94 provides guidance on the analysis to be used by Federal agencies in evaluating proposed program activities. It includes guidance on the discount rates used to evaluate activities whose benefits and costs are distributed over time. It also contains expanded guidance on the measurement of benefits and

costs, treatment of uncertainty, and related issues. This guidance must be followed in all analysis submitted to OMB in support of the GSA Budget.

(i) Technical Analysis

The FS requires that a technical analysis be performed for each viable alternative. For proposed client space requirements, consideration should be given to existing Government-owned/leased assets especially where there is current or projected vacant space. Proposed projects where tenant moves may be necessary (building systems work, etc.) should include a cost analysis based upon available space and related tenant moves in other owned/leased assets.

The discussion of the viable alternatives should succinctly address the following issues:

- **Describe the functional adjacencies.**
- **Provide an assessment on alternatives for commercial uses of the existing building, estimating appropriate rental rates and general tenant improvement costs to accommodate both public and private uses**
- **Address the ease of completion, addressing relocation and disruption of the tenant agencies. For new construction, include an estimated cost of acquisition and relocation of displaced residents and businesses.**
- **Provide information on the site amenities and location of the alternatives.**
- **Address space management capability.**

The analysis should also include consideration of the following costs:

Tenant Move/Lease Actions: All project related costs, such as the temporary relocation of tenants and lease space needs/impacts should be identified and cost analysis performed for each alternative.

Capital (First) Cost: Project cost and scope should be of sufficient detail to provide basis for review and approval by GSA officials. For

new construction, all applicable costs for acquisition of the site should be incorporated. Benchmark and/or parametric level cost analysis (using gross square foot costs) may be used as follows:

> **New Construction: The GSA General Construction Cost Review Guide (GCCRG) provides data and calculation procedures to establish early planning phase cost estimates for new construction projects. The GCCRG can be used as the basis for establishing the estimated cost in the design prospectus for those projects where the "traditional delivery" procurement approach is envisioned, but shell and TI costs estimates must be broken out.**
>
> **Repair and Alterations: Where benchmark cost estimates cannot be performed, cost per square foot estimates (Level III Uniformat) or reliable estimates based upon prior studies may be used to develop the construction costs. Building assessment information (BER or other building needs assessments) and associated cost estimates will assist in preparation of cost estimates for both shell and TI.**

Life-Cycle Cost (LCC) Analysis: Life-cycle cost analysis is a method of project evaluation in which all costs arising from ownership, maintenance, and ultimately disposal are considered as part of the decision-making process. LCC is applicable in capital investment decisions where initial costs are a trade-off to future costs (e.g. service life). An alternative is the most cost-effective if, on the basis of LCC analysis, it is determined to have the lowest costs expressed in net present value terms for a given amount of benefits.

Project Delivery Schedule: A project delivery schedule should include critical events and delivery procedures from time of GSA budget authorization/ appropriation to tenant occupancy. Slippage of critical events will result in the delay of project completion. Environmental compliance actions, site acquisitions, swing space requirements, lease terminations/relocations, etc. are examples of critical events that must be clearly identified as milestones on the schedule.

(ii) Financial Analysis

A financial analysis must be performed for each alternative. For the FS, the level of financial analysis is broad based rather than detailed. Methods of cost analysis to be considered include Multi-Asset Portfolio Planning Model (MAPP) or Pro Forma and The Automated Prospectus System (TAPS).

GSA shall assume the responsibility of performing this financial analysis, in-house, based on the information provided by the A/E as addressed in this scope of work.

(iii) Evaluation

The A/E and GSA project team will evaluate both the technical and financial analysis data as appropriate at each FS submission.

(f)Preferred Alternative Recommendation:

The preferred alternative is the best alternative for meeting client agency, asset, and portfolio objectives. Based upon the results of the FS, a written summary should be provided that clearly and concisely provides justification for proceeding with the preferred alternative as part of the CILP. Provide a summary of the most viable alternative for the project.

- **(i) Provide the advantages and disadvantages of each alternative.**
- **(ii) Provide all costs related to planning, acquisition, design, and construction of the alternative.**
- **(iii) Incorporate the GSA provided long-term financial cost for each alternative.**
- **(iv) Delineate the lease and swing space issues for each alternative.**
- **(v) Provide a summary timeline and plan for obtaining this objective.**
- **(vi) The discussion of the preferred alternative should succinctly address the following issues:**

1. **Client Need**
   Identify client demand/client plan; LPP; physical asset need.
2. **Project Objectives and Portfolio Goals**
   Identify project objectives that relate to overall portfolio goals.
3. **Design Issues**
   Identify design constraints/unique requirements. If land cost or availability is such that horizontal expansion is precluded, incorporate vertical expansion plans to meet the 30-year plan.
4. **Schedule**
   Identify schedule constraints and risk assessment for project delivery. Provide comparison of project delivery requirements with regard to funding, site acquisition, design, and construction.
5. **Funding Sources and Budget schedule**
   Identify funding sources (i.e. Budget Activity; Pricing Tiering for shell and TI, Reimbursable Work Authorization; Donations; other sources) and budget schedule for project delivery.
6. **Procurement Method**
   Identify procurement method that will allow for the successful delivery of proposed project.
7. **Swing Space**
   Cost, procurement and time issues related to Leases and Swing space.
8. **Performance Measurement**
   Identify how the proposed project will impact performance measurements.
9. **Best Alternative**
   Document GSA's decisions on the 'best' alternative to provide justification for any Congressional project submission.

C. Supporting/Input Documents

Backup materials to the FS should be included as appendices (i.e. housing plan, cost estimates, site studies, technical references, and delivery schedules).

Input documents support both the needs assessment and the development and evaluation of viable alternatives. Some input documents may describe conditions/constraints that may limit the number of viable alternatives. Therefore, the FS should reflect all relevant input documents and related information that define client agency and facility needs and may help to define viable alternatives for meeting these needs.

Input Documents (if available)

Input Documents	Alternatives		
	Repair and Alteration	New Construction	Leasing
Studies/Surveys	✓		✓
Accessibility Survey			
Agency Requirements/Requests or Judge/Courtroom and "Any Court" Analysis (Courthouse only)	✓	✓	✓
Appraisals	✓	✓	
Asset Business Plan	✓		✓
Blast Studies (Progressive Collapse & Glazing Protection)	✓		
Building Engineering Report (BER) or Existing Conditions Report (ECR)	✓		
Building Preservation Plan or other Historic Studies	✓		
Construction Cost Estimate	✓	✓	
Cultural Resource Study	✓		✓
Environmental (ie, EA/EIS)	✓	✓	
Fire/Safety Study	✓	✓	
Floodplain Analysis		✓	✓
Hazardous Materials Survey	✓	✓	
Housing Plans	✓	✓	✓
Market Analysis		✓	✓
Master Plan		✓	
Occupancy Agreements	✓	✓	✓
Parking Study Supplemental Data Sheet		✓	✓
Retention/Disposal Studies	✓		
Seismic Studies	✓		
Site/Geotechnical Studies		✓	
Threat / Risk Assessment	✓	✓	✓
Wetland Determination	✓	✓	✓
GUIDANCE/CODE			
Central Business District Map	✓	✓	✓
Congressional District Map	✓	✓	✓
Facilities Standards for the Public Buildings Service, PBS P100 (Latest Version)	✓	✓	✓
GSA Metric Design Guide		✓	
Congressional District Map	✓	✓	✓
State/Local Regulations	✓	✓	✓

IV. Schedule of Submissions

A. Submission Format

i. The A/E and GSA personnel shall review all submittal formats immediately upon notice to proceed.

ii. The method of measurement for preparing this scope of work is the ANSI/BOMA standard.

iii. The submittal shall include spread sheets using Microsoft Excel for Windows 97 version.

iv. Narrative portions of the FS shall be typed and formatted onto diskettes using Microsoft Word for Windows version 97.

v. Final submittals should include either a CD-Rom or 3.5" diskettes containing electronic files of the feasibility study and any supporting documentation.

vi. Upon completion of the FS, all materials originally provided by the GSA will be returned.

B. Revised Submission Dates:

i) The completion dates may be extended in the event performance is delayed due to causes beyond the control and without the fault or negligence of the Architect-Engineer as determined by the Contracting Officer.

ii) Submission Transmittal: All submittals, indicated in this scope of work, are to be received by the Government in the office of the Contracting Officer on or before the times stipulated herein. Submittals shall be mailed or hand-delivered to the following address:

GSA Office of Public Building Services
Attn: _____, COR
____[Region, address]_____

C. Submittal Review

i) Reviews shall be conducted by the Government in the office of the Contracting Officer Representative and Portfolio Management, in the ____[region, address]_____ except as herein stipulated. Approvals of submittals shall not be considered valid, until the submittal are approved in writing by the Contracting Officer or his/her representative.

D. Submittal Content

The FS will be developed through 4 submissions as follows: (1) initial outline; (2) working copy of identified viable alternatives and criteria for comparative analysis, (3) Preliminary submittal (90%) and Final completion.

i) Initial Outline:

A/E shall provide an initial outline 3 working days after the fact finding survey conducted the week of _____. Information contained in this outline shall be as detailed as possible for evaluation by the GSA COR, COTR, and Asset Manager.

ii) Identified Viable Alternatives:

A/E shall provide working copy of identified viable alternatives and criteria for comparative analysis when available. Date to be determined upon further discussion after the fact finding survey.

iii) Preliminary Submittal - 90%

a) The 90 percent documents must provide complete text and graphics, including cover, table of contents, introduction, description of existing conditions, comparative analysis and viability of the alternatives, advantages and disadvantages, construction cost estimate, and preliminary recommendation. Sketches may be used to represent final graphic material.

b) Immediately upon receipt of the 90% FS, the A/E will be given written instruction by the Contracting Officer or COR to proceed with the Final Submission.

iv) Final Submission

a) The document must be complete in all respects with all graphics/exhibits appropriately incorporated in the text as described in the scope of work. All previous GSA comments must be resolved.

E. Quantities

The Contractor shall provide GSA six [6] copies of the 90 percent submittals: Provide [12] copies of the Final Submittal. With the final submission, provide two sets of electronic media diskettes (i.e. two copies).

F. Comment Resolution.

The Contractor shall formally respond to all written review comments from GSA within two days of receipt or sooner, if possible due to the short turn-around time for this FS. This response, directed to the COTR, should indicate agreement/disagreement, and how the concern will be addressed within the next submission or resubmission.

V. HANDBOOKS-GUIDES-CODES-EXHIBITS

All designs by the A/E shall conform to all applicable building codes and

handicap requirements. One copy of all GSA Handbooks will be furnished to the A/E by the Government.

A. Handbooks

1. **The Facility Standards for the Public Buildings Service, PBS-PQ100.1, Metric Version, dated December 23, 1993 with change #2 dated June 14, 1994 and revised Chapter 4 dated 1/26/96, hereinafter called PBS-PQ100.1.**
2. **U. S. Courts Design Guide, dated December 19, 1997 hereinafter called USCDG.**
3. **Standard Level Features and Finishes for U.S. Courts Facilities, dated October 1, 1996 hereinafter called SLFF.**
4. **Requirements and Specifications for Special Purpose and Support Space - U. S. Marshals Service – Sections One and Two dated May 1, 1997 hereinafter called U. S. Marshals Handbook.**
5. **Uniform Federal Accessibility Standards, FED-STD-795 dated April, 1988 hereinafter UFAS.**
6. **Americans with Disabilities Act (ADA), 42 U. S. C. 4151, Title III hereinafter called Title III ADA Standard.**
7. **Americans with Disabilities Act (ADA) Accessibility Guidelines for Buildings and Facilities Part II 36 CFR 1191 State and Local Government Facilities, dated 01/13/98**
8. **NIST Handbook 135 (Rev. 1991) "Life-Cycle Costing Manual for the Federal Energy Management Program" with NISTIR 85-3273-6 (Rev. 10-91) Energy Prices and Discount Factors for (LCCA) 1992.**
9. **Metric Design Guide, PBS PQ260, dated September 1995.**
10. **GSA Security Criteria**
11. **General Construction Cost Review Guide, dated October 1999.**
12. **GSA *PBS pricing desk guide*, dated 02/12/01.**

B. Design Guides

The following references shall be used by the design team in developing the design and the contents of the submittals.

1. **General Guide for Editing Specifications dated April 1988.**

2. **Public Buildings Service Submission Requirements for Design and Construction, PBS-PQ280, undated.**
3. **Value Engineering Program Guide for Design and Construction, PBS-PQ251, dated May 10, 1993.**
4. **Vulnerability Assessment of Federal Facilities, dated June 28, 1995, by the Department of Justice.**
5. **Project Estimating Requirements, PBS P 3440.5, dated August 24, 1981.**
6. **Energy Efficient Design of New Buildings Except Low-Rise Residential Buildings. ASHRAE Standard 90.1.**
7. **Secretary of the Interior's Standards for Rehabilitation.**
8. **General Construction Cost Review Guide.**

C. CODES:

1. **Comply with requirements of Codes and Standards in Chapter 1 of PBS-PQ 100-1 Metric and any other requirement stated in this Scope of Work, the Program Development Study and other Handbooks and Codes as referenced.**

2. **Chapter 1 of PBS-PQ100.1 states the appropriate codes and standards as well as the GSA policy of compliance which governs design of this project. However, instead of the National Building Code (NBC) this project shall follow the requirements of the Standard Building Code (SBC) which is the basic building code for the _____ _____ Region.**

3. **For egress requirements, the National Fire Protection Association (NFPA) 101, Code of Safety to Life from Fire in Buildings and Structures, known as the Life Safety Code, will be followed in lieu of the egress requirements of the SBC. Specifically, NFPA 101, Chapters 1 through 5 and the portions of Chapter 8 through 30 which reference Chapters 1 through 5 must be followed.**

4. **National Historic Preservation Act of 1966 (P.L. 90-480)**

5. The design will comply to the maximum extent practicable with other handbooks and codes as referenced or any active ordinances currently enforced by the local Government.

D. Exhibits

(1) Building Information Report
(2) Building Assessment Report
(3) Copy of Executive Order 13006, May 21, 1996
(4) Copy of Executive Order 12072, August 16, 1978
(5) 10 year space requirements for "Any Court"
(6) Demographic Information
(7) _____Chamber of Commerce Information
(8) Floor Plans – Cad Diskette FB-CT
(9) Inspection Report dated _____
(10) Building Profiles
(11) Building Combined Space Report
(12) Historic Structures Report
(13) Historic Building Preservation Report

E. Points of Contact

i) The Government points of contact are listed within this scope of work. Consultation with Government personnel will be as their schedules permit. The Contractor shall expand this listing as necessary to fully establish project requirements and shall provide a complete listing of all contacts in the FS Appendix.

VI. Administration

A. Government Officials
The following individuals represent the Government in the conduct of this Work Order.

TITLE	NAME	PHONE
Contracting Officer (CO)	_____	_____
Cont. Officer's Rep. (COR)	_____	_____
Cont. Officer's Tech. Rep. (COTR)	_____	_____
Asset Manager	_____	_____

B. Meetings.

1. **Preliminary Meeting #1: A preliminary meeting will be held in _____, __. The A/E Team shall meet with GSA the week of _____, immediately after receipt of the Notice-to Proceed (NTP).**

2. **Weekly progress conference calls will be held to set and clarify project goals and policies, project constraints, submission schedule, and other relevant project information.**

3. **Technical meetings shall be held and initiated as required by the Contractor to resolve issues and establish project direction.**

4. **All surveys, interviews, and inspection work at the site shall be coordinated with GSA. All required contacts with local government and private sector organizations shall be arranged by the A/E with GSA being notified. GSA will have the option to attend meetings.**

C. Administrative Record

1. **The Contractor shall maintain an Administrative Record (the record) of all activities carried out under this contract Scope. The Record shall include copies of all correspondence, meeting notes, and key telephone conversations. The Record shall include all comments received from any source on all draft and final documents prepared under this scope. The Record shall be submitted to the Contracting Officer's Representative (COR) upon project completion.**

2. **The Contractor shall prepare and distribute a Meeting Report (minutes) within three (3) working days following all regular meetings, presentations, or other important but informal meetings with GSA and/or involved agencies. Meeting Reports**

shall be distributed to the COTR and all meeting participants to ensure coordination and agreement on important issues.

D. Schedule.

The FS is to be completed by _____. The schedule for project delivery is as follows:

Task	**Elapsed Time from NTP**
Initial Outline	**3 working days after fact finding investigation**
Criteria for Comparative Analysis	**When available (as soon as possible)**
90% submission	**_____ (or sooner, if possible)**
Final submission	**_____ (or sooner, if possible)**

E. Delays:

1. **Delays in schedule due to A/E caused delays, as determined by the CO, such as failure to provide timely acceptable submittals, shall not warrant an extension of the FS development time. The A/E shall be responsible to take the necessary actions to insure that stages of the FS progresses on schedule.**

2. **Delays in the stages of development due to Government caused delays, such as failure to provide timely reviews or prompt exercise of options as set forth in the contract, shall warrant an equitable extension of the FS time.**

VII. Fee and Payment Schedule

1. **Upon review and acceptance of the 90% and Final Submissions, the Contractor may submit invoices for 90% and 100% of the total contract amount respectively, less amounts previously paid. The final payment invoice must include a signed Release of Claims by the Contractor.**

2. In order to expedite payment, the Contractor shall include the following information in each invoice:

a) Firm name, address and telephone number
b) The words "Original Invoice"
c) ACT. NO. (as shown on the award letter)
d) GSA Contract Number
e) Modification Number

A short description of services that the billing represents.

Pricing Implementation Guide
Exhibit II-5

Contract Language for Construction Management (CM) contract for Construction Services

2.11. Cost Estimate Review/PBS Pricing Policy

The A/E will prepare and update all required cost estimates for the cost of construction at each stage of design development. The estimates will follow the formats and procedures prescribed in PBS P 3440.5, Project Estimating Requirements. The A/E will be contractually obligated to design the project to within a specified cost limitation. Above and beyond reviewing, analyzing, and assessing each estimate submitted by the A/E, the CM shall prepare independent cost estimates when required to do so by the Government. In addition to preparing independent cost estimates, the CM's cost estimator should verify that:

1. **Unit costs are reasonable.**
2. **Quantity takeoffs are accurate.**
3. **All design elements are included.**
4. **Level of detail is appropriate to design stage.**
5. **Formats are correct.**
6. **Cost escalation factors are properly applied.**
7. **Balance of costs among building systems are acceptable.**
8. **Up-to-date scope modifications are reflected.**
9. **Overall project costs are within the project cost limitation.**

GSA is incorporating a new philosophy for our tenants, while creating a new culture of managing all contracts needed to fulfill the agency's needs, from conception to move in. Our goal is to track each specific cost to charge each tenant for the design and construction of this project. To accomplish this, it will be necessary to break down the negotiated CM fee into the design components: Predesign, Conceptual Design, Design Documents (DD's), and Construction

documents (CDs) (35%, 65%, 95% and 100%) for each tenant and shell, including shop drawings, construction administration, and record documents for each agency occupying the building. (Negotiated A/E and/or CM-Fee Breakdown, Exhibit II-5A). GSA space is identified as shell space. Part of shell space includes design intent drawings (DID's). The agency's portion of the CM fee starts at the construction document phase and is used to fund the tenant improvement (TI) items in the definition provided in the *GSA Public Buildings Service pricing desk guide*. (hereinafter referred to as the *PBS pricing desk guide* Section 2.11.1).

Examples of services under PBS's pricing policy required by the CM under this contract include, but are not limited to:

- **Reviewing and validating shell and TI construction cost estimates during design.**
- **Reviewing and performing an independent review of the A/E estimates.**
- **Tracking shell and TI costs, via spreadsheet, during design and construction, including efforts and fee of the A/E and CM.**
- **Chairing and coordinating monthly meetings during construction to review budget and expenditures against shell and TI estimates and numbers.**
- **Participation in formatting the construction contract to insure that shell and TI issues are accounted for and properly defined, as defined in the *PBS pricing desk guide*.**
- **Providing and tracking the CM fee proposal, with shell and TI breakdown of fee.**

The CM will prepare a cost estimate report for each A/E design submission. This report will include a certification that the above items have been accomplished and submitted to the Contracting Officers Representative (COR/PM) for approval. Once the cost report is approved by the COR/PM, it shall be incorporated into the design review report. The CM will be responsible for resolving differences in the A/E and CM cost estimates prior to submission to the COR/PM. The CM will advise the COR/PM if the A/E fails to submit any required cost estimates on time or if the CM and A/E are unable to come to an agreement.

In addition to the cost estimating services required in PBS P 3440.5, Project Estimating Requirements, and in association with the assignment floor plans noted below, the CM shall verify that the A/E construction estimates and fees are

broken out by shell and TI. These estimates begin at the design development phase and continue through the construction document phase. The construction cost estimates shall be uniform, with levels as defined in the PBS P 3440.5, and broken out by phase. In addition to the required shell and TI estimates, which will be in linear feet, there shall also be a separate Construction Specification Institute (CSI) estimate at 100% construction documents.

The CM shall be responsible for assisting GSA in the management of the Construction Contingency funding. The shell, each TI, and all Reimbursable Work Authorizations (RWA's) shall be tracked separately for all change order expenditures. A spreadsheet format provided by the Government shall serve as the basis for accomplishing this. A sample Change Order Log by Work Item is attached as (Exhibit II-5 b). The shell, TI, and agency reimbursable balances will be conveyed to the CM by GSA, and will be defined as indicated below. The CM will be responsible for preparing change order proposal requests formatted so that the contractor's change order pricing and the subsequent negotiated prices will be broken down by shell, TI and RWA costs. The CM shall then utilize the attached spreadsheet as the change order financial accounting log. The contingency balances (original balance minus change order expenditures to date) shall be maintained at all times. This spreadsheet will serve as the basis for the monthly CM, GSA, and A/E financial review meetings.

2.11.1. Definitions per PBS Pricing Policy

Below are "excerpts" from the PBS pricing policy. These are formal guidelines that are part of the requirements of the CM contract. The CM, working along with the A/E and GSA, must ensure the pricing policy is correctly utilized to the fullest extent, in order to accomplish pricing goals as outlined below.

A key element of the pricing policy-common to owned and leased space-is the concept of the building shell. Building shell is the complete enveloping structure, the base-building systems, and the finished common areas (building common and floor common) of a building that bound the tenant areas. Where the building shell ends is the beginning point for TI's. It is commonplace in the commercial real estate world to observe this distinction between building shell and TI's. To ensure that TI allowances are applied consistently by contractors, a standard definition of the elements of the building shell and TI's was developed. The

building shell definition applies to both owned and leased space.

2.11.2. Federally Owned Space

GSA must estimate the cost of the design and construction of the building shell elements for all construction projects, both above and below prospectus-level.

2.11.3. Leased Space

PBS must use the shell definition in its entirety and without deviation. Lessors are to refer to the definition when developing their shell rent rate. Shell rent is the single most important component of the contract. If a customer agency desires upgrades to base building systems above the Solicitation for Offers (SFO) performance specifications, GSA may accommodate the customer agency request listing the upgrades and asking the Offeror's to price the enhancement(s) separately. Tenant-driven upgrades to building shell are to be separately priced from the building shell and charged against the tenant improvement allowance.

2.11.4. The "FireWall" Between Building Shell and Tenant Improvements

Both in terms of capital funding, and in billing, the boundary between building shell and tenant work is critical to the effective operation of PBS pricing policy in owned space. With one exception only, the boundary between building shell and tenant work constitutes an impermeable barrier or "firewall" across which funding cannot move. The budgets for the TI's and building shell- are independent and are not to be commingled or mixed. If GSA constructs a building shell for less than the approved and authorized budgeted amount, the savings are available for reprogramming to other projects. Savings are not available to defray additional TI costs. Conversely, if the bids to construct the building shell exceed the project budget for the shell, tenant allowances cannot be used to make up the difference. Rather, PBS must either seek additional funding or examine the specifications for ways to lower costs.

Exception to the above: Only in the case of a prospectus-level project for which there is a cost overrun on the purchase of the site or on the construction of the shell, can funds be moved from the tenant allowance budget to the building shell budget, and then, only with the customer agency's consent. The reason for this is that in the case of a prospectus-level project for which there is a "bid bust" on the building shell, PBS does not have the ready alternative of increasing the

project's budget; PBS must first seek Congressional sanction. Further, since the prospectus does not compartmentalize the budgets, and since the tenant work is still to come, it is possible that the entire project, when taken as a whole, can still be accomplished for the authorized funding. Thus, it is inappropriate to insist that we seek additional funding authorization before all alternatives are exhausted, including lowering the tenant allowance budget. Nonetheless, PBS cannot breach the firewall unilaterally. Even for this single exception; the affected agency(ies) must be willing parties to the change. Moreover, seeking to lower the tenant improvement budget should only be undertaken after other remedies, including plans and specifications reviews, bid descoping, and value-engineering, have been examined.

2.11.5. Shell Definition

The shell definition provided below establishes a comprehensive market-based boundary between building shell and tenant work. Although some of the specifics may be at variance with the practice of local real estate markets, PBS must oblige prospective lessors and contractors to price shell as nationally defined so that tenant allowances have consistent coverage for all PBS customer agencies across the country.

The shell definition is not a prescription for how PBS or private sector lessors should design buildings or engineer base building systems. It merely marks the boundary between base building elements and TI's. Some items are cited in terms of a ratio to the square footage. The ratios are stated in both the American National Standards Institute/Building Owners and Managers Association International (ANSI/BOMA) usable and rentable terms. Since Rentable to Usable (R/U) ratios differ by building, the rentable numbers are only approximations, provided for reference purposes. The ratios cited for usable are controlling.

The building shell includes the following items for the base building and tenant areas:

Base structure and building enclosure components (windows with exterior finishes) are complete	Broom clean concrete floor slab, with level floor not varying more than _" over ten (10) foot horizontal run in accordance with American Concrete Institute (ACI) Standards
Base building electrical and mechanical systems (central fire alarm, chiller plant, cooling tower, etc.) are complete and functional	Gypsum wall board, spackled and prime painted, on exterior perimeter walls and interior core walls are installed
All common areas, such as lobbies, elevators, fire egress corridors and stairwells, garages and service areas are complete. (Circulation corridors are provided as part of the base building only on multi-tenanted floors where the corridor is common to more than one tenant.) On single tenant floors, only the fire egress corridor necessary to meet code is provided as part of the shell.)	Fully installed 2 X 2 foot suspended acoustical ceiling with 2 X 2 parabolic fluorescent (or other building standard such as 2'-0" X 4'-0"0 fixtures installed in the ceiling grid for an open office plan at the rate of one fixture per 80 BOMA usable (100 rentable) square feet, is installed
Building common restrooms are complete and operational	Common corridor stud walls, without gypsum board on demised tenant premises' side and without suite entry door are installed
Building cores on each floor with leaseable space contain the following: Tappable domestic water riser, service sanitary drain, sanitary vent, ready for extension to tenant demised area(s) Electrical power distribution panels and circuit breakers available in an electrical closet, with capacity at 277/480 volt and 12/208 volt, 3 phase, 4 wiring providing 7 watts per BOMA usable (5 watts per rentable) square foot Designated connection point to the central fire alarm system for extension to tenant demised area(s) Distribution backboard within a wire closet for connection to tenant's telephone lines Vertical conduit running through the building core	Central heating, ventilation and air conditioning systems are installed and operational, including, as appropriate, main and branch lines, VAV boxes, dampers, flex ducts and diffusers, for open office layout. Conditioned air through medium pressure ductwork at a rate of .75cfm/square foot of BOMA usable area is provided
	Sprinkler mains and distribution piping in a protection layout (open plan) with heads turned down, concealed with an escutcheon or trimplate, are installed.

2.11.6. Tenant Improvements

It is commonplace for there to be building standards for TI's (such as glass or solid wood for suite entry doors, a restricted color pallet for paint and carpeting, a certain kind of blind for exterior windows, etc.). PBS defines these for owned space; a lessor defines these for leased space. The existence of building standards does not mean that PBS or the lessor covers these as part of building shell. The standards simply represent restrictions on what the tenant can elect to do within the tenant space.

Similarly, standards identified in design guides for border stations, courthouses, etc., are not part of the building shell merely because they are called "standards."

With the exception of certain security improvements listed below, TI's constitute everything that is not in the shell or that changes the shell. Typically, it consists of:

Electrical and telephone outlets and wiring from the tenant demised premises to the building core.
Carpeting or other floor covering; raised access flooring.
Plumbing fixtures within the demised premises and connection to the building core.
Partitioning and wall finishes.
Doors (including suite entry). sidelights and frames, and hardware.
Millwork.
Fire alarm wiring from building core to tenant space and then within tenant space; pull stations; strobes; annunciators; and, exit signage within the demised premises.
Thermostats.
Window treatments.
Supplemental power, cooling or heating (above the open office plan layout capacities provided in base building) higher rates of air exchanges- (if it entails additional or upgraded air handling equipment); pathogen control systems; and all other special HVAC components required by specific tenant needs.
Adjustment or repositioning of sprinkler heads so as not to conflict with tenant's particular office partition layout; additional sprinklers required by local code to meet tenant's layout, or ceiling grid adjustments and consequent repositioning of sprinkler heads to the center of ceiling tiles.
Tenant signage in the common corridor and within the tenant's demised area. (An overall tenant directory in the building lobby is part of building shell.)

Changes (moves) or additions to the open plan lighting pattern, or to the open plan HVAC distribution network (e.g., additional ductwork, ceiling diffusers, etc. to accommodate individual office layout).
Upgrades or changes to building standard items, such as plaster or vaulted ceilings, specialty lighting, and upgraded ceiling tile.
Structural enhancements to base building to support non-conventional floor loads, such as a library. (The cost for structurally changed space is no longer borne by the tenant through a continuing premium rent charge, but rather through a one-time charge to tenant improvements.)
Private bathrooms, private elevators, or staircases within tenant space.
Security systems and features within tenant space are part of tenant improvements; specialty security systems and features for the entire building requested by tenants (usually through the building security committee) are neither building shell nor tenant improvements. They are a separate capital investment in the property and charged to agencies as part of the building specific security charge.

The attached spreadsheet provides a matrix for the fee breakdown. The CM fee attributable to TI's will be allocated by the percentages in the matrix. These percentages represent the same percentage as to each tenant's estimated construction cost for TI's items computed against the total estimated construction cost.

2.11.7. Responsibilities of the CM

The A/E and the CM shall be responsible to assist GSA in defining and managing shell and TI costs throughout the design and construction phases of the contract. GSA will define the TI allowance to be applied to each agency. The GSA shell and TI costs for each agency includes design, management and inspection, and construction costs. Space requirements are developed by each agency and are listed in the Feasibility Study (FS) that shall be provided by GSA to the selected firm.

The shell and TI construction budgets will be provided to the A/E and the CM by GSA.

In the construction documents phase, the CM will be responsible to verify that the A/E measured all spaces on each floor in accordance with ANSI/BOMA Z65.1-1996. The tenant assignment floor plans will be used to develop the estimating services outlined below.

At each design submission, prior to the final submission, the CM shall verify that the A/E provided a separate set of assignment plans representing the total BOMA

gross, rentable, and usable area of the building. The plans shall consist of architectural floor plans with room names and numbers for each space and agency designation around the perimeter of the floor or within the space. Each sheet shall include a floor office summary. At the end of DDs, the CM shall verify that the A/E identified total usable square footage for each agency. At the 65% CD submittal, the CM shall verify that the A/E identified all spaces within each tenant space by name, number, and usable square footage. The CM will verify that the first sheet in the assignment set shall be a summary of all shell and tenant spaces within the building, and that each floor plan provides a breakdown of all shell and tenant spaces for that floor by room name, room number, usable area, and space classification (by GSA), summarized by tenant and totaled by floor.

The CM will verify that the record documents (RD) submission shall include complete Computer Aided Design (CAD) assignment plans, with metric to English conversions.

The GSA, the A/E, and the CM shall also be responsible to define a method to obtain separate prices for each tenants' TI allowance work. The CM will coordinate this with the A/E. The shell will be identified as the base construction contract for all construction documents and specifications.

Chapter III: Design Phase

Introduction

This section provides samples for implementing PBS pricing in preparing design documents (DD's) that form the basis for the A/E estimates, design-to-budget controls, and the construction bidding formats. Pricing for shell and TI affects the design phase in four primary areas:

- **Managing and tracking A/E and CM fees;**
- **A/E document preparation;**
- **Project cost estimating and review; and**
- **Managing agency expectations for their finished space.**

The project team, at the onset of a project, needs to clarify to the tenants how the project will be financially managed. Each agency will have some design contingency to cover design changes after the DIDs are complete. (Note: For pricing implementation, DID's will be considered synonymous with the completion of the design development phase.) The team needs to outline how they will manage the TI budgets throughout the life of the construction project. The team will discuss the tenant's respective TI budgets and how the team will address:

- **Scope changes;**
- **TI changes that impact shell;**
- **Errors and/or omissions;**
- **Additional A/E or CM services;**
- **Project delivery delays;**
- **Contingency funds; and**
- **RWA's**

A. Managing and Tracking A/E and CM fees

1. A/E Contract Provisions

The A/E contract will specify the level of services required to track shell and TI costs throughout the design and construction phases. The contract will

detail budget breakdowns, fee allocations, and document preparation fees. Sample A/E contract language is provided as Exhibit III-1; and Exhibit III-2 provides an example of A/E Scope for Shell and TI Documents.

2. Fee Negotiations

The process for fee negotiations with the A/E and CM will be unchanged. Allocation and tracking of the fees for professional services will be accomplished after the A/E and CM negotiations are completed. Pricing impacts the allocation and tracking of fees for professional services. The costs of A/E and CM services for TI's after the design development phase must be tracked for each tenant and special tenant subcategories as necessary. After fees are negotiated, the separate costs must be identified. As changes occur in the design phase, the fee will be tracked by the project team for use in updating the OA's. A sample A/E Design Fee - Project Manager's Log is provided as Exhibit II-4.

3. Allocation of Budgets

Projects are to be managed and tracked by individual budgets rather than one overall project budget. The definitions of shell and TI's will be provided to the A/E with the scope of work (Exhibit III-3). Refer to current information provided in the *PBS pricing desk guide*: Section 2.2.2-Shell; Section 2.2.3-Tenant Improvements. Sample A/E contract provisions are also provided as Exhibits III-1and III-2.

Tracking of design fees for A/E and CM services may be based on negotiated costs if fees were negotiated with agency breakdowns, or by prorating the costs based on the percentage of the ECCA. The project team will select the appropriate method for tracking costs prior to beginning design work. GSA will charge the tenant for extra services from the A/E, such as additional design review meetings etc. If the tenant exceeds their design budget, they will fund the extra services by RWA.

The building specific security budget is made up of those items related to the overall security of the building as a whole. Individual agency security requirements are included within the TI budget.

The items required by the Department of Justice's (DOJ) Vulnerability Assessment Guide and/or GSA's Security Criteria Guide will be included in the building specific security budget. Some items included, but not limited to:

- **perimeter surveillance equipment installed complete;**
- **perimeter intrusion detection system installed complete,**
- **premium cost difference for the building infrastructure to be designed as a progressive collapse system; and**
- **premium cost difference to include blast resistant glazing.**

The building specific amortized capital security budgets must be tracked during the design phase by preparing cost estimates. This is a separate item on the OA and rent bill. The building security committee may recommend additional items. If a tenant requires security upgrades in excess of the DOJ Guide, the costs for those upgrades are assignable to the TI allowances for the agency. It is not necessary to separately bid the building specific security items to obtain prices. The cost estimates generated during the design phase will be used for the amortization of these costs (Section 3.2.6 of the *PBS pricing desk guide*).

Joint Use space charges also appears as a separate item in the OA and on the rent bill, as defined in Section 3.2.11 of the *PBS pricing desk guide*. Tracking of shell and TI costs for the Joint Use space will be necessary for OA billing purposes.

Sample financial tracking models are provided as Exhibits II-3 and II-4. The project team is responsible for developing and implementing a financial reporting and tracking model for their project that tracks the required budgets and costs. This also provides the tenants with the ability to monitor their funds throughout the project.

B. A/E document preparation

The project team will determine the best approach for project execution. Several alternative methods of achieving the project goals and pricing implementation are discussed below:

1. Production of separate shell/ TI documents by the design A/E

The *PBS pricing desk guide*, Section 2.3, suggests separate bid packages should be prepared for each customer agency. Shell documents will be prepared that clearly establish the scope of work for the base building, core systems and their associated finish areas.

The project team is responsible for partitioning the project budget to align the scope of work for shell and TI plans, and to incorporate those budgets into the A/E scope of work (Exhibit III-2). In the case of capital projects, development of extensive space program requirements and progressive cost estimating (reference Section 2.3.5 of the *PBS pricing desk guide*) allows the team to determine the "design-to-budget" for building shell work and TI work by agency. The team will furnish the information to the A/E and CM contractors.

In the concept design phase, the team will rely on the FS or PDS estimates for shell and TI budgets. The budgets may require modifications as the design progresses through design development. The team will prepare and maintain a list of any costs that are re-allocated between shell and TI budgets, i.e. ceiling tiles, floor coverings, etc. Professional engineering judgement and order of magnitude estimates will be sufficient backup for these cost adjustments.

Before finalizing the scopes of work for the design phase A/E and CM, the team will consult with the tenants to determine the need for separate bid documents, i.e., court and court-related agencies. The team will determine if and when multiple bidding documents are required. These provisions will be inserted in the section of the A/E Design scope of work that addresses "design within the ECCA" or "design-to-budget."

The A/E and CM contracts will include cost reconciliation sessions. The A/E and CM estimating teams will meet and reach a general consensus relative to the estimated costs for the building shell and each individual TI bid package. The teams will reach agreement during these sessions on fundamental unit prices and quantities can be compared for accuracy as part of the reconciliation process.

The team may track the design fees against the actual negotiated design budget by both shell and TI's by agency. A sample spreadsheet is shown as Exhibit III-3. This process facilitates financial management of the design fees from pre-design through project completion.

The team may consider including bid options for shell and each TI package to allow individual award in case market bid prices differ from estimated costs.

2. Alternative Methods for Implementing Pricing*

Use of separate shell and TI documents may not be suitable for some projects. The project team may select an alternative method(s). The following options may be considered:

- **Pricing breakout during source selection;**
- **Drawing and/or key plan pricing booklet delineation; and**
- **TI Allowance**

a. Pricing breakout during source selection

The project team may work with the offerors in the competitive range during source selection, prior to award, to establish the schedule of values for separate pricing amounts of shell and TI work. The independent Government estimates are used as a basis for the determination of the appropriate values. One advantage of this method is that it will allow offerors more time to develop an accurate price allocation of their bid in lieu of having to develop the price split between shell and TI's under the pressure of proposal deadlines.

b. Drawing and/or key plan pricing booklet delineation*

- **Drawings for a large new building with multiple tenants could be prepared in a single bid package. All detailed TI design is complete with the shell and the full package is ready for market at one time - the traditional GSA approach. (Refer to the Scenario # 1 discussion in Chapter IV - Construction Phase.) A sample Document Delineation Table is shown as Exhibit III-4.**

**Suitable for transition projects*

- **Another delineation method is to develop a Key Plan Pricing Booklet. It presents a narrative and graphic breakout of shell and TI work. This method keeps all design work in a single, unified package but provides for shell and TI pricing by the contractor. The delineation method still requires the team to establish firm "design-to-budgets" in the A/E scope of work for shell plus TI work and provides for the tracking of any budget reallocations.**

c. TI Allowance Approach*

The project team may elect to advise the A/E to include funds in the construction RFP as fixed TI contract amounts for the space where requirements are expected to change after award of the shell contract or for small amounts of unassigned office space. In the case of unassigned space, GSA must provide adequate funds to pay for future TI's that become firm requirements during the construction phase.

When the funding allowance from GSA National Office is made, the fixed TI funds are incorporated into the contract. Adjustments to the contract amounts will be made based on final scope definition once TI requirements are completed.

C. Project Cost Estimating and Review

1. GSA Estimating Guidance

The formatting and submission requirements for shell and TI estimates shall be in accordance with current GSA estimating guidance and provided to the A/E and CM (if appropriate) by the project team. See Exhibit III-5 for sample Scope of Work for A/E Estimating.

2. TI Construction Budget

If, during any phase of the project, the construction estimate demonstrates that the agency requirements have exceeded the TI construction budget, it is recommended that the project teams do one of the following:

- **Request an RWA from the agency;**
- **Direct the A/E to design an option(s) so that the base work falls**

**Suitable for transition projects*

within the construction budget. It is recommended that the PM use caution as to the number of options that will be permitted as it makes it more difficult for the construction contractor to bid on multiple options; or

- **Require the A/E to recommend cost saving ideas and discuss these suggestions with the project team. The team will decide on item(s) to be deleted from the scope to bring the TI within budget.**

D. Deliverables

At the completion of the Design Phase, the project team will deliver or complete the following actions, including but not limited to:

- **Site acquisition;**
- **A/E Design;**
- **Fees/budgets tracked by shell and TI;**
- **Art-in-Architecture design;**
- **Construction Prospectus;**
- **Completed PDS;**
  - **Updated estimates for shell and TI**
    - **Sets final project budget**
    - **Updates Firewall**
- **PDRI**
- **Updated PMP with final procurement strategy;**
- **Updated OA's (signed by agency);**
- **Construction Procurement commences with shell and TI documents; and**
- **Request RWAs**

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Pricing Implementation Guide
Exhibit III-1

A/E Contract Language For Added Shell & TI Services

A/E Fee Breakdown

The A/E shall be responsible to assist the GSA in defining and managing shell and TI costs throughout the design and construction phases of the contract. GSA will define the TI allowance to be applied to each agency. The GSA shell and TI costs for each agency includes design, management and inspection, and construction costs. Space requirements are developed by each agency and are listed in the Feasibility Study (FS). The shell and TI construction budgets are shown in the FS.

The A/E fee attributable to TI's will be allocated by the percentages in the attached matrix (Exhibit III-1a). These percentages represent the same percentage of each tenant's estimated construction cost for TI items computed against the total estimated construction cost.

Space Design Drawings (SDD)

The A/E shall develop a set of SDD's that will contain information for each space on every floor. These drawings will externally reference the architectural base plan. Base architectural information consists of all building core and shell elements, including stairs, elevator cores, restrooms, interior and exterior columns, convectors, all exterior walls and openings (including doors and windows), and a labeled structural grid. Show all interior improvements such as mechanical, electrical, and telephone rooms; custodial and maintenance areas; lobbies; and proposed tenant walls, doors, windows, and corridors. The A/E shall measure the area of all spaces on each floor in accordance with the American National Standards Institute/Building Owners and Managers Association International (ANSI/BOMA) Z65.1-1996. The SDD's shall include area polylines drawn around all spaces, with associated data tags containing the agency name,

room name, and area in usable square feet. Floor and Building Summary Tables for each tenant and building common areas are also required. The Floor and Building Summary Tables will also summarize the BOMA gross, rentable and usable areas. On metric designs, the data tag shall include both square feet and square meters, and the Floor and Building Summary tables must include both square feet and square meters.

The A/E shall provide SDD's with the design development submission(s), and every subsequent submission during the Construction Document (CD) phase. The Record Documents (RD) as-builts submission shall include updated SDD's.

Format of the Construction Contract

The GSA and A/E shall be responsible to define a method to obtain separate prices for each agency's TI work. The A/E will coordinate this with the CM. The shell will be identified as the base construction contract for all construction documents and specifications.

Shell and TI Cost Estimating Services

In addition to the cost estimating services required in PBS P 3440.5, Project Estimating Requirements, utilizing the SDD's noted above, the A/E shall provide estimating services broken out by shell and TI's for each tenant. These tenant estimates begin at the DD phase and continue through the CD phase. The construction cost estimates shall be in Uniformat, with levels as defined in PBS P 3440.5, by phase. There shall also be a separate Construction Specification Institute (CSI) estimate at 50% construction documents. The design development cost estimates shall be detailed at a minimum Uniformat Level V. The 50% construction document estimates shall be detailed at a minimum Uniformat Level VI and a separate estimate must be submitted in CSI format. (CSI starts at 50% and continues through the end of design). All other submissions after this point shall be broken out in CSI Format equivalent detail as the minimum required by PBS P3440.5.

Pricing Implementation Guide
Exhibit III-2

Example A/E Scope for Shell and Tenant Improvement (TI) Documents:

Following is an example of how the requirements for separate shell and tenant documents could be incorporated in an Architect/Engineer (A/E) scope of work:

I - I. The Project's Construction Design Budget:

The project's construction design budget will be separated into a building shell Estimated Construction Cost Award (ECCA) component and TI ECCA components. These component ECCA budgets are fixed and the A/E and their Cost Estimating Consultant shall not transfer ECCA funds between the components. Please refer to the description of the "firewall" between the building shell and TI's in the current edition of the GSA Public Buildings Service pricing desk guide (hereinafter referred to as PBS pricing desk guide). The Cost estimator shall provide a separate Shell Construction Cost Estimate with detailed backup and detail breakdown and Tenant Improvement Construction Cost Estimates with detailed backup and detailed breakdown.

The table below reflects the project ECCA breakdown:

	ECCA
Building Shell:	$ 90,000,000
Tenant Improvements:	
USDC*	$ 10,000,000
USDC**	$ 900,000
USDC Probation	$1,000,000
USDC Clerk	$ 1,400,000
US Court of Appeals	$ 200,000
US Public Defender	$ 90,000
US Attorneys	$ 200,000
USMS	$3,000,000
GSA - PBS	$ 400,000
Tenant Imp. Subtotal:	$17,190,000
Totals ‡	$107,190,000

** courtrooms and chambers*
***jury assembly, court support, grand jury*

***NOTES:** The building shell includes the following building "add-ons":*
1) tunnel connector 2) the funds for blast compliant exterior wall and support structure construction, 3) the funds for hurricane code compliant construction, 4) bilingual graphics, 5) extensive landscaping,

Note that the TI budget for the USDC (Courtrooms & Chambers) above includes provision for all changes resulting from the courtroom mock-up reviews

II. Handbooks, Exhibits and Other New Requirements:

II-I The following handbooks and other requirements are hereby incorporated into the A/E contract:

Section A - Handbook and Design Guides & Other Requirements Exhibits:

Enclosure: GSA Public Buildings Service, pricing desk guide, edition #2 including Change #1 dated 2/12/01. Please also see WEB site at: http://hydra.gsa.gov/pbs/pt/opm/pricing_desk/index.html

III. Separate CD Plans & specifications and Request for Proposals (RFP) formatting for shell & each tenant's buildout:

In accordance with the intent of the new PBS pricing desk guide, Section 2.3, PBS ,must track the separate customer agency allowances and what is charged against them for each customer agency. This requires that the A/E develop separate bid packages for each customer agency's work. Please see the following web site for the PBS pricing desk guide Edition No. 2: WEB: http://hydra.gsa.gov/pbs/pt/opm/pricing_desk/index.html

To implement this requirement, the A/E will provide separately bound construction documents including all required plans, specifications and details for the defined building shell and including Additive and Deductive Bid Options, as defined by GSA's Project Team. The building shell and TI definitions in the ***PBS pricing desk guide*** *will apply. The title blocks of all pertinent building shell plans and detail sheets shall identify the work as "Building Shell" so estimators can be sure where to include estimated costs.*

The RFP will be issued for both the building shell and TI work at one time, however, the A/E, in coordination with the GSA PM and Contracting Officer (CO), shall incorporate appropriate pricing sheets and other narrative requirements in the RFP documents in order to have the building contractors /offerors separately identify and track the base building shell and each tenants' improvements costs not only at bid/award, but during construction through building closeout and occupancy including any changes during construction.

In addition, the A/E shall prepare separate construction documents, as required for each tenant, including separate bid and construction documents for each of the following:

1. US District Court (Courtrooms + Chambers)
2. US District Courts (Jury Assembly, Court Support, and Grand Jury)
3. US District Court (Probation Offices Suite)
4. US District Court (US Court Clerk Offices Suite)
5. US Court of Appeals (Library Suite)
6. US Public Defender
7. US Attorneys
8. US Marshals Service
9. GSA Office & Storage
10.GSA Food Service

Each of the tenant construction document's floor plans shall include, in a light background shading, the associated base building shell work. The tenant work shall be clearly distinguished from the shell work and therefore be easily estimated as to cost by the A/E's cost estimator, separately. Refer to Base A/E Contract Exhibit # , titled "BOMA " Standard method for Measuring Floor Area in Office Buildings" :Standard ANSI BOMA Z65.1-1996.

IV. Estimating Requirements:

Future construction cost estimates by the A/E's cost estimator shall provide the base building shell construction cost estimate along with the tenant improvements estimates, at the same time to assure ECCA compliance with both the separate shell ECCA budget and each individual tenant improvement ECCA budget as established herein in Section 1 above.

Provide a summary sheet recapping the TI's Cost Estimates compared with the established TI cost budgets. The A/E shall provide sufficient guidance to their estimator for a clear scope understanding of all the required estimates noted herein.

Pricing Implementation Guide
Exhibit III-3

1. Shell Definition for Architect/Engineer (A/E) Contracts

The shell definition provided below establishes a comprehensive market-based boundary between building shell and tenant work. Although some of the specifics may be at variance with the practice of local real estate markets, PBS must oblige prospective lessors and contractors to price shell as nationally defined so that tenant allowances have consistent coverage for all PBS customer agencies across the country.

The shell definition is not a prescription for how PBS or private sector lessors should design buildings or engineer base building systems. It merely marks the boundary between base building elements and TI's. Some items are cited in terms of a ratio to the square footage. The ratios are stated in both the American National Standards Institute/Building Owners and Managers Association International (ANSI/BOMA) usable and rentable terms. Since Rentable to Usable (R/U) ratios differ by building, the rentable numbers are only approximations, provided for reference purposes. The ratios cited for usable are controlling.

The building shell includes the following items for the base building and tenant areas:

Base Buildings	Tenant Areas
Base structure and building enclosure components (windows with exterior finishes) are complete	Broom clean concrete floor slab, with level floor not varying more than _" over ten (10) foot horizontal run in accordance with American Concrete Institute (ACI) Standards
Base building electrical and mechanical systems (central fire alarm, chiller plant, cooling tower, etc.) are complete and functional	Gypsum wall board, spackled and prime painted, on exterior perimeter walls and interior core walls are installed
All common areas, such as lobbies, elevators, fire egress corridors and stairwells, garages and service areas are complete. (Circulation corridors are provided as part of the base building only on multi-tenanted floors where the corridor is common to more than one tenant.) On single tenant floors, only the fire egress corridor necessary to meet code is provided as part of the shell.)	Fully installed 2 X 2 foot suspended acoustical ceiling with 2 X 2 parabolic fluorescent (or other building standard such as 2'-0" X 4'-0"0 fixtures installed in the ceiling grid for an open office plan at the rate of one fixture per 80 BOMA usable (100 rentable) square feet, is installed

Building common restrooms are complete and operational **Building cores on each floor with leaseable space contain the following:** **Tappable domestic water riser, service sanitary drain, sanitary vent, ready for extension to tenant demised area(s)** **Electrical power distribution panels and circuit breakers available in an electrical closet, with capacity at 277/480 volt and 12/208 volt, 3 phase, 4 wiring providing 7 watts per BOMA usable (5 watts per rentable) square foot** **Designated connection point to the central fire alarm system for extension to tenant demised area(s)** **Distribution backboard within a wire closet for connection to tenant's telephone lines** **Vertical conduit running through the building core**	**Central heating, ventilation and air conditioning systems are installed and operational, including, as appropriate, main and branch lines, VAV boxes, dampers, flex ducts and diffusers, for open office layout. Conditioned air through medium pressure ductwork at a rate of .75cfm/square foot of BOMA usable area is provided** **Sprinkler mains and distribution piping in a protection layout (open plan) with heads turned down, concealed with an escutcheon or trimplate, are installed.**

2. Tenant Improvements (TI's)

It is commonplace for there to be building standards for TI's (such as glass or solid wood for suite entry doors, a restricted color pallet for paint and carpeting, a certain kind of blind for exterior windows, etc.) PBS defines these for owned space; a lessor defines these for leased space. The existence of building standards does not mean that PBS or the lessor covers these as part of building shell. The standards simply represent restrictions on what the tenant can elect to do within the tenant space.

Similarly, standards identified in design guides for border stations, courthouses, etc., are not part of the building shell merely because they are called "standards."

With the exception of certain security improvements listed below, tenant improvements constitute everything that is not in the shell or that changes the shell. Typically, it consists of:

Typical Tenant Improvements
Electrical and telephone outlets and wiring from the tenant demised premises to the building core.
Carpeting or other floor covering; raised access flooring.
Plumbing fixtures within the demised premises and connection to the building core.
Partitioning and wall finishes.
Doors (including suite entry). sidelights and frames, and hardware.
Millwork.
Fire alarm wiring from building core to tenant space and then within tenant space; pull stations; strobes; annunciators; and, exit signage within the demised premises.
Thermostats.
Window treatments.
Supplemental power, cooling or heating (above the open office plan layout capacities provided in base building) higher rates of air exchanges- (if it entails additional or upgraded air handling equipment); pathogen control systems; and all other special HVAC components required by specific tenant needs.
Adjustment or repositioning of sprinkler heads so as not to conflict with tenant's particular office partition layout; additional sprinklers required by local code to meet tenant's layout, or ceiling grid adjustments and consequent repositioning of sprinkler heads to the center of ceiling tiles.
Tenant signage in the common corridor and within the tenant's demised area. (An overall tenant directory in the building lobby is part of building shell.)
Changes (moves) or additions to the open plan lighting pattern, or to the open plan HVAC distribution network (e.g., additional ductwork, ceiling diffusers, etc. to accommodate individual office layout).
Upgrades or changes to building standard items, such as plaster or vaulted ceilings, specialty lighting, and upgraded ceiling tile.
Structural enhancements to base building to support non-conventional floor loads, such as a library. (The cost for structurally changed space is no longer borne by the tenant through a continuing premium rent charge, but rather through a one-time charge to tenant improvements.)
Private bathrooms, private elevators, or staircases within tenant space.
Security systems and features within tenant space are part of tenant improvements; specialty security systems and features for the entire building requested by tenants (usually through the building security committee) are neither building shell nor tenant improvements. They are a separate capital investment in the property and charged to agencies as part of the building specific security charge.

Pricing Implementation Guide
Exhibit III-4

Document Delineation Table

Drawings	***Basic Work***	***Remarks***
Site/Civil	**Shell**	**Note Exceptions**
Floor Plans	**Tenant**	**Delineate Shell and Common Areas**
Elevations	**Shell**	**Rare exceptions**
Ceiling Plans	**Shell**	**Delineate Tenant**
Details/Schedules	**Relates to plan**	
Structural Plans	**Shell**	**Delineate Tenant**
Structural Details	**Relates to plan**	
HVAC Plans	**Shell**	**Note thermostats**
HVAC Details	**Relates to plan**	
HVAC Schedules	**Relates to plan**	
Plumbing Plans	**Shell**	**Delineate Tenant**
Plumbing Risers	**Shell**	**Delineate Tenant**
Plumbing Details	**Relates to plan**	
Sprinkler Plans	**Shell**	**Delineate Tenant**
Sprinkler Details	**Relates to plan**	
Power Plans	**Tenant**	**Delineate Shell and Common Areas**
Lighting Plans	**Shell**	**Delineate Tenant and note switches**
Teledata Plans	**Shell**	**Delineate Tenant**
Fire Alarm Plans	**Shell**	**Delineate Tenant**

Delineation referred to in the above table suggests notes, or borders drawn around the limits of tenant or common space to distinguish between shell and tenant work for budget and cost tracking purposes.

Pricing Implementation Guide
Exhibit III-5

Sample Scope of Work for Architect/Engineer (A/E) Estimating

Cost estimating shall be done in accordance with PBS P 3440.5, Project Estimating Requirements, and as modified by the specific requirements listed in this scope of work. PBS P 3440.5 references one overall estimated construction cost. As shown on the attached GSA 3474 Forms, the project budget is divided into a shell construction budget, building specific security construction budget, United States Marshall Service (USMS) tenant improvement (TI) construction budget, United States District Courts (USDC) TI construction budget, and a U.S. Attorney (US ATTY) TI construction budget. The A/E shall be responsible to develop separate estimates for each of the project budgets listed. GSA's construction cost limitation revision clause applies to each estimate individually. This clause provides that if the estimated construction contract award amount, based on the design and construction schedule, at the time of the negotiation, adjusted by construction cost indices (if applicable), is exceeded by 5% in the lowest acceptable bid, the A/E shall be required, at the A/E's expense, to revise the drawings and specifications to reduce the cost to an amount within this specified limit.

***Adjusting for Escalation*: Escalation shall be forecasted for each budget to the estimated date of the mid-point of construction not the estimated construction award date as listed in the guide.**

***Options*: The A/E is required to design add/deduct options in the amount of +/- 5% for the shell budget. If during the design phase the construction estimate for any of the TI budgets is exceeded, the A/E may be requested to recommend options to get the TI work back in line with the available budget. Separate cost estimates are required for each item that has been recommended by the A/E and agreed upon by the GSA Project Manager (PM) to be included as an option.**

***Frequency of Estimates/Level of Detail*: Estimates are required for each budget at each of the following submissions: preliminary concepts, final concept, design development, 50% construction documents(CD's), 95% CD's and final CD's (bid**

set). The preliminary concepts and concept estimate shall be detailed at a minimum Uniformat Level III. The design development cost estimates shall be detailed at a minimum Uniformat Level V. The 50% CD estimates shall be detailed at a minimum Uniformat Level VI and a separate estimate must be submitted in Construction Specification Institute (CSI) format. All other submissions after this point shall be broken out in CSI Format in equivalent detail as the minimum required by PBS P3440.5.

***Additional estimating/increases to construction TI budgets*: As defined by the *GSA Public Buildings Service pricing desk guide* (hereinafter referred to as *PBS pricing desk guide)* agencies have the choice, within certain limitations on, how their TI allowances are spent. The A/E shall be prepared, when presenting certain choices to an agency (finishes for example), that their decision may be based on the cost of the item and shall come to the meeting prepared to discuss these costs or follow up shortly after the meeting with estimates for these items so the agency can make an informed decision. Also, as discussed in the *PBS pricing desk guide*, if an agency decides to include requirements that exceed their TI budget then they may contribute additional funds to the project with a Reimbursable Work Authorization (RWA). If this occurs, the Contracting Officer (CO) will send written notification that the construction TI budget for that agency has been increased and the amount shall be tracked on the GSA Standard Form (SF) 3474.**

***Reconciliation Meetings*: The A/E's cost estimator(s) shall attend and participate in two reconciliation meetings with GSA's construction management consultant. The CM's cost estimators will perform independent estimates on the design development submission and the 50% CD's submission The purpose of this meeting will be to discuss any differences between the two cost estimates and to document for the record all agreements reached or items where disagreement still exists.**

***Post Award Construction Cost Analysis*; As required by Chapter 6 of PBS P 3440.5, the GSA PM will furnish cost information from the construction contractor and request that the A/E perform a construction contract bid analysis. This analysis shall include revisions to the final CSI estimates. The revisions shall be shown on the GSA forms 3474 for each of the project budgets.**

***Electronic Submissions:* In addition to the number of hard copy submissions specified in the submission distribution schedule, the A/E shall furnish at each stage of the project electronic versions of all cost estimating information in Excel format to the GSA PM.**

Chapter IV: Construction Phase

Introduction

The purpose of this chapter is to provide the project team with different scenarios that may be utilized to ensure that each transaction with a tenant agency is free standing and priced independently. The management and tracking of A/E, CM and construction costs is a vital component of this process. Implementation of any scenario will be directly dependent upon the decisions made by the team. They will:

- **Consider project constraints;**
- **Evaluate practical and effective implementation methods; and**
- **Determine the best approach for the project.**

The process for source selection of the General Contractor (D/B or CMc as appropriate) will be unchanged. The standard selection criteria currently developed by the team will also remain unchanged. Pricing impacts the structure of the construction contract which provides the means and methods to track shell and each TI costs. The decisions made during project development and design will impact the:

- **Structure of the Request for Proposals (RFP's);**
- **Contract Delivery Method;**
- **Financial Management and Tracking of Shell and TI during construction; and**
- **OA updates.**

RFP's (bid/proposal sheets and documents) must match the A/E design specifications and drawings that were developed for a project. For example: if four separate agencies are involved and the design is broken into a shell package and separate TI packages for each agency, the bid sheets must reflect pricing in either separate bid sheets (one for shell and one for each of the four TI packages) or in five separate line items (one for the shell and the four separate TI components).

A. Delivery Methodologies/Scenarios for receipt of price breakouts

The following scenarios apply to BA 51, 54, and 55 funded projects utilizing any/all contract delivery methods (traditional, source selection, D/B, bridging, CMc, Guaranteed Maximum Price [GMP], etc.) (*BA 53 - Leasing is discussed in the Project Process Outline, Chapter II.*)

1. The suggested construction scenarios, not in order of preference, require the projects be marketed using competitive, negotiation procedures. Each scenario is outlined below. Detailed information for each scenario is provided in Exhibits IV-1 through IV-4.

***Scenario 1 - Separate Shell and TI Delineation Approach (Exhibit IV-1)*:**

construction documents are 100% designed and clearly identify shell scope items and TI scope items by agency. This can be accomplished by creating separate shell and TI bid packages or by delineating the separation in a unified set of documents. These TI packages may be designated as contract options. The key here is that the construction documents clearly identify what work components are to be priced as shell and TI by agency. See the Document Delineation Table in Chapter III, Exhibit III-4.

***Scenario 2 - Allowance Approach* (Exhibit IV-2)*:**

Shell construction documents are 100% complete. Allowances for the TI work are included in the contract award. The final TI construction documents are not complete. In this scenario, the shell package and the final TI package(s) will be awarded to the contractor building out the shell. The RFP is issued with a complete shell design; TI allowances are provided along with the time frames in which the TI scopes will be issued once the contract is awarded along with the period of performance for each TI scope.

**Suitable for transition projects*

Scenario 3 Multiple Contractor Approach* ***(Exhibit IV-3)*:**

Shell construction documents and TI construction documents are completed as separate packages. In this scenario, TI package(s) will be bid to independent contractor(s). The shell contractor may bid on the TI package(s).

Scenario 4 Pricing Breakout at Negotiations* ***(Exhibit IV-4)*:**

Construction documents are 100% designed in one package that does not separately address the shell and TI work by agency. The project team sends out the construction RFP as one package. The break out of the shell and TI costs will occur among offerors in the competitive range only. (No sample proposal sheet is provided.)

2. Shell and TI Bid Price Proposals

If the construction bid price exceeds the shell or TI construction budgets, the project team will evaluate options as detailed in the *PBS pricing desk guide* and develop an appropriate course of action to bring the shell and TI prices within budget.

a. Shell Bid Price

If the shell bid price exceeds the shell budget, it is recommended that the project team do one of the following:

- **Negotiate price; or**
- **Reduce scope and negotiate price.**

b. TI Bid Price(s)

If the TI bid price(s) exceeds the TI budget(s), it is recommended that the project team do one of the following:

- **Negotiate price(s); or**
- **Reduce scope and negotiate price(s);**
- **Request RWA from the tenant;**
- **Seek alternative procurement methods to deliver the TI work.**
- **If funds are available in the overall project budget, the project team may discuss, with regional Portfolio Management, the possibility of using the balance in the overall budget to fund the TI work, provided the agency will pay the increased rent.**

**Suitable for transition projects*

B. Financial Tracking of Costs

1. Tracking Shell and TI Costs during construction

Pricing permits the tenant to play a role in controlling the TI portion of their rent. Project decisions made by the tenant during construction are a prime example. The team is responsible for tracking all shell and TI costs separately throughout construction, including change orders. This data is required for the final OA as it will set the final rent for each tenant.

During the construction phase, it will be necessary to separately track and report the construction costs of the building shell, each TI package, and the building specific security charges. This includes any changes against the respective project budgets for those items, thereby maintaining the "firewall" between building shell and TI budgets. When the initial construction contract award is made, the contingency provided will be allocated between the building shell, and each TI package, based upon award cost. The allocated contingency amounts will be available, as noted above, during the construction phase. When agency change order costs exceed the available funds in their TI budget, the tenant agency will be required to provide timely, additional funding by RWA.

The budget for the CM fees is typically set using the PBS Estimating Tool (Exhibit II-2). When the CM allowances is received for construction services, a similar allocation of fees is computed based on a percentage of ECCA. It is also necessary to track the costs of CM services during construction (sometimes called M&I or M&IE), for the building shell and each tenant. The CM funds expended for each tenant shall be charged against each TI allowance and included in the updated OA. CM contingency funds shall be allocated between the shell and each tenant. When tenant agency CM funds are depleted, it will be necessary for the tenant to fund any additional CM costs by RWA.

Sample sheets to facilitate financial accounting are provided throughout this implementation guide. The team will determine the method of financial tracking and who will maintain the data.

2. Contingencies

Every project budget is provided with an additional dollar amount for "Contingency". Contingencies are provided for the purpose of building out the scope of a project and NOT to make scope changes. The project's contingency budget should be used by the project team and the tenant agency to fund changes that are the result of errors, omissions, differing site conditions and unforeseen conditions. The contingency belongs to shell and the tenants based on the contract award of shell and the respective TIs. Project teams, including the tenant agencies, will manage the usage of contingencies on a project. The construction contingency is to be prorated for shell and TI's based on the contract award amounts.

The contingency money may not be used for TI upgrades. Agencies must have the ability to make corrections if their mission changes or if the A/E makes minor mistakes that need correction. In doing this, the agency becomes accountable for their funds, and has the ability to make corrections without the project team having to decide who gets contingency funds.

3. Schedule of Values

Project teams will address the schedule of values section of each RFP and determine the need to develop a schedule of values that will address shell and TI costs separately and provide a tool that the team and the contractor can use to request, review, and process payments accurately. For example, in a scenario where TI packages are awarded as allowances, the team may request a schedule of values for the shell work right after contract award, and may subsequently request a separate schedule of values for each TI package as pricing for each TI is finalized.

4. Change Orders and/or Scope Increases

The project team is responsible for tracking all costs throughout construction that occur via change orders, and managing these actions as separate shell and TI components. If the team requires the CM to track change orders, sample contract language is shown in Exhibit II-5. A sample Change Order Log is included as Exhibit IV-5. This data is required for the final OA, as it will set the final rent for the tenant. The construction contractor is required to submit all change orders with the shell and TI amounts separated, which should be detailed in the RFP. Any agency changes that impact the shell, or tenant requirements that exceed the TI and contingency budgets, will be funded by the agency with an RWA.

C. OA Update with TI Bid Prices

Once the successful offeror has been selected, the team will update the OA's, based on bid prices, for each tenant to capture TI costs. Shell costs will also be updated based on bid prices. In order to maintain continuous cost allocation throughout the project, the team will establish a revised total for shell and each TI budget, capturing the construction award amount. Accounting and cost allocation for the remainder of the project will be necessary as changes to the shell and TI work occurs.

At this point in the process the project team will review, with each tenant agency, the status of their respective TI budgets and review how they will continue to manage change orders, contingencies, and any funding issues for the TI allowances throughout the life of the construction project. The TI Financial Summary will be prepared to reflect total costs to be amortized in the rent. A sample is shown as Exhibit IV-6.

The final OA will be prepared when the project is complete based on the TI Financial Summary for each agency. This OA sets the agency's rent for the completed project.

D. Deliverables

The project team will complete or manage the following during the construction phase of the project:

- **Update OA prior to award (signed by agency);**
- **Award and manage the construction contract;**
- **Manage and track shell and each TI budget;**
- **Track change orders and RWAs;**
- **Finalize shell and TI costs at project completion;**
- **Complete TI Financial Summary;**
- **Final OA (signed by agency); and**
- **Move-In/rent start**

Pricing Implementation Guide
Exhibit IV-1

Scenario 1- Separate shell and tenant improvement (TI) Delineation Approach

Construction documents are 100% designed and clearly identify shell scope items and TI scope items by agency. **This can be accomplished by creating separate shell and TI bid packages or by delineating the separation in a unified set of documents. These TI packages may be designated as contract options. The key here is that the construction documents clearly identify what work components are to be priced as shell and what work components are to be priced as TI by agency. See the Document Delineation Approach Table in Exhibit III-4.**

Solicitation Phase:

- **Construction documents (CD's) are prepared as described above.**

- **The request for proposals (RFP) alerts offerors in the Method of Award Section as to how the offers will be evaluated and includes a discussion on how the pricing will be evaluated for base contract work, TI, options, unit pricing, etc. This process can be applied for both sealed bid and negotiated procurements.**

- **Standard contract language concerning how materially unbalanced pricing will be addressed is included in the RFP through the insertion of Federal Acquisition Regulations (FAR) clause 52.215-1 - INSTRUCTIONS TO OFFERORS - COMPETITIVE ACQUISITION (MAY 2001) for negotiated contracts, and FAR 52.214-19 - CONTRACT AWARD - SEALED BIDDING - CONSTRUCTION (AUG 1996) for sealed bid procurements. This clause should be highlighted in the RFP and discussed at Pre-Proposal/Bid Conferences.**

Sample language that may be inserted:

This project requires that the contractor submit pricing into lump sum shell and lump sum TI amounts. Contractor proposals for each of these components will be evaluated separately as well as in total. Contractors are cautioned that pricing submitted in each of these components are to reflect the work required in each of these categories. The General Services Administration (GSA) will evaluate each of the components to ensure that the prices received are reasonable for the scope and are within budget. The provisions specified in FAR 52.215-1 - Instructions to Offerors will be enforced.

- **Stress to offerors both in the construction RFP and at any Pre-Proposal Conference that separate pricing breakouts for shell and TI by agency will be required as driven by PBS pricing policy.**

Sample language:

GSA has an established a pricing policy that governs rent charges to our customer agencies. To ensure that rent charges are accurate, GSA has designed this construction RFP to capture costs for the construction of shell and TI's by customer agency consistent with this Policy.

- **See Exhibit IV-1a for a sample bid sheet**

Proposal Price Evaluation Phase:

- **GSA evaluates pricing in accordance with the RFP by package option to ensure that pricing for shell and TI by agency compares favorably to our independent Government estimates and is within budget for each component.**

Negotiations may be held with the offerors along with the A/E and CM acting as advisors, if necessary, to ensure all costs submitted for the shell and TI by agency is reasonable and within budget.

Pricing Implementation Guide
Exhibit IV-1a

Scenario One

1. Lump Sum Shell **$_____**

2. Lump Sum SSA **$_____**

3. Lump Sum IRS **$_____**

4. Lump Sum DEA **$_____**

5. Lump Sum INS **$_____**

6. Lump Sum Courts **$_____**

(Note: Project team to add any additional items that would need separate pricing such as Options, Unit Prices, Mark-ups, Delay Rates, etc:

Grand Total (Sum of Items 1 through 6) **$_____**

Pricing Implementation Guide
Exhibit IV-2

Scenario 2- Allowance Approach

Shell construction documents are 100% complete. The final tenant improvements (TI) construction documents are not complete. In this scenario, the shell package and the final TI package(s) will be awarded to the contractor building out the shell. The Request for Proposals (RFP) is issued with a complete shell design, TI allowances are provided along with the time frames in which the TI scopes will be issued once the contract is awarded along with the period of performance for each TI scope.

Competition occurs on the bid of the shell construction documents along with quoted indirect costs to be applied to the TI allowances that will include general conditions, overhead and profit.

Offerors will submit their indirect costs in the form of percentages for general conditions, overhead, and profit STET specified lump sum TI's. These percentages will be binding for all TI construction documents work under the contract and are evaluated, negotiated, and accepted at contract award.

The contract award will include obligating the shell and the TI allowance amounts. (*Note-Project team may elect to award/or not award the TI allowance). In addition, the mark-up percentages noted above are accepted. Once the TI package(s) are complete, an RFP will be issued to the shell contractor asking for the final TI price which will be incorporated into contract as a change order.

The accepted TI mark-up percentages will be applied to the contractor's direct costs when ultimately requested to provide a proposal for the TI packages. A contract modification will be issued to adjust each TI allowance based on negotiated prices for the TI scope of work. In order to ensure additional price competition, three subcontractor bids for each major trade may be required for each TI allowance based upon final TI construction documents. The project team will make this determination.

While the TI scopes are not complete in this scenario, project teams may issue as much of the requirements, concepts, design information that are known in the RFP to provide contractors with information concerning what the future work will require.

Solicitation Phase:

- **Construction documents are prepared as shell only.**

- **The RFP alerts offerors in the Method of Award Section how the offers will be evaluated. The RFP will also include a discussion on how the pricing will be evaluated for base contract work, TI, options, unit pricing, etc. In this scenario, pricing will be based on the total evaluated proposal price.**

- **Provide instructions to offers on how the TI packages will be awarded and how the TI percentages will be used during construction.**

  Sample Language –
  GSA will issue TI scopes of work for the following agencies (list the agencies) based on the following schedule (list the issue dates). The TI allowances for each agency are as follows (list the allowances). The period of performance for each TI scope of work is as follows (list the performance period for each TI)

  Upon receipt of a TI scope of work the contractor will have 30 days to submit a proposal for the scope of work. The scope of work shall be accompanied by three separate price proposals for each of the trades. [Note to the project team: You may elect to limit the number of trades for which you would like to see three proposals. For example, it may not be necessary to see three proposals for some work items i.e. signage. If the project team wants to limit this effort, the team should identify which trades these additional prices are needed.]

  Accepted percentages for general conditions, overhead and profit at time of award shall be applied to the direct costs of each TI scope of work. Proposals for each TI scope of work issued shall be submitted in a format that includes all of the direct costs, including

a breakout of the overhead, profit and general conditions consistent with the accepted percentages.

- **Standard contract language concerning how materially unbalanced pricing will be addressed is included in the RFP through the insertion of Federal Acquisition Regulations (FAR) clause 52.215-1 - INSTRUCTIONS TO OFFERORS - COMPETITIVE ACQUISITION (MAY 2001) for negotiated contracts. This clause should be highlighted in the RFP and discussed at Pre-Proposal/Bid Conferences.**

  Sample language that may be inserted:
  This project requires that the contractor submit pricing into lump sum shell and mark-ups on the TI amounts, i.e. general conditions, profit and overhead. Contractor proposals for each of these components will be evaluated separately as well as in total. Contractors are cautioned that pricing submitted in each of these components are to reflect the work required in each of these categories. GSA will evaluate each of the components to ensure that the prices received are reasonable for the scope and are within budget. The provisions specified in FAR 52.215-1 - Instructions to Offerors will be enforced.

- **Stress to offerors both in the construction RFP and at any Pre-Proposal Conference GSA's pricing policy and the reasons that the construction RFP was structured in the format that they received:**

  Sample language:
  GSA has an established pricing policy that governs rent to our customer agencies. To ensure that rent charges are accurate, GSA has designed this construction RFP to capture costs for the construction of shell and TI's by tenant agency consistent with this policy.

Proposal Price Evaluation Phase:

Negotiations may be held with the offerors along with the A/E and CM acting as advisors if necessary.

GSA evaluates shell pricing to ensure that it is comparable to our

independent Government estimate. Further percentage markups as indicated above are evaluated for price reasonableness.

- **See Exhibit IV-2a for a sample bid sheet**

Risk Management: The Contracting Officer (CO) and the project team must ensure that the Competition in Contracting Act requirements are met. Discussions with regional counsel are encouraged to ensure sufficient price competition. This scenario was discussed with The Office of General Counsel and the following guidance was provided.

- CO's shall use sound judgment in ensuring adequate price competition to protect the government's interest for the contract award. This scenario works if the shell percentage of the total job is much more than the TI portion of the project. The larger the TI portion the less initial price competition. In such a scenario, the project team shall incorporate additional price evaluation factors, such as unit prices.

- The use of allowances presented above allows the project team to issue a Firm Fixed Price Contract that sets a ceiling price for the contract. Remember that the allowances are based on the budget for each TI. It remains that the project team is ultimately responsible for issuing subsequent scopes of work to the contractor that is within budget.

- Negotiations for each TI will be required. Project teams should ensure that additional competition is generated by requiring the contractor to submit three separate price proposals for each of the major trades.

- The project team must ensure that final TI documents are issued for pricing within the timeframes noted in the RFP. Delays will result in exposure to costs including extended overhead and increased general conditions. It is recommended to obtain the general conditions for the TI packages. This will assist the project team in negotiating general conditions, overhead and profit for the entire project.

Pricing Implementation Guide
Exhibit IV-2a

Scenario Two- sample bid sheet

1. Lump Sum Shell **$_____**

2. SSA TI Allowance **$50,0000.00**

3. IRS TI Allowance **$100,000.00**

4. DEA TI Allowance **$250,000.00**

5. INS TI Allowance **$250,000.00**

6. Court TI Allowance **2,000,000.00**

7. Subtotal of Tenant Allowances (Sum of items 2 though 6)
$2,650,000.00

Grand Total (Sum of items 1 and 7) **$_____**

8. General Conditions that will be included in the Total TI Allowance (item 7) expressed as a total dollar price and as a Percentage
$_____ %_____

9. Overhead that will be included in the Total TI Allowance (item 7) expressed as a total dollar price and as a Percentage
$_____ %_____

10. Profit that will be included in the Total TI Allowance (item 7) expressed as a total dollar price and as a Percentage
$_____ %_____

Pricing Implementation Guide
Exhibit IV-3

Scenario 3:

Shell construction documents are 100% complete. The TI construction documents are completed as separate projects. In this scenario, TI package(s) will be bid to independent contractor(s). The shell contractor may bid the TI package(s).

Solicitation Phase:

- **Construction documents are prepared as shell only.**

- **The Request for Proposal (RFP) alerts offerors in the Method of Award Section how the offerors will be evaluated. The RFP will also include a discussion on how the pricing will be evaluated for base contract work, options, unit pricing, etc.**

- **The General Services Administration evaluates shell pricing to ensure that it is comparable to our independent Government estimate.**

- **Negotiations among all offerors in the competitive range are conducted if necessary.**

- **As the TI construction documents are completed, new and separate procurements are generated.**

- **A sample bid sheet is not provided as this scenario does not require the separation of shell and TI by agency as each TI package will be procured separately.**

Proposal Price Evaluation Phase:

- **GSA evaluates pricing in accordance with the RFP for the shell and the subsequent TI construction documents.**

- **Negotiations may be held with the offerors along with the A/E and CM acting as advisors if necessary.**

Risk Management: This scenario provides several risks to the project. 1. Multiple contractors may be working in the building at the same time. 2. The project team runs the risk of not being able to fund the entire job as all costs are not established at the onset of the construction phase. This issue is magnified in that this determination may not be realized in the early phases of construction. 3. Warranty issues may be encountered in terms of who will be responsible for correcting deficiencies.

Pricing Implementation Guide
Exhibit IV-4

Scenario 4:

Construction documents are 100% designed in one package that does not address the shell and tenant improvement (TI) work by agency.
The project team prepares the construction Request for Proposals (RFP) as one package. The break out of the shell and TI costs will occur among offerors in the competitive range only. The following steps play out this scenario.

Solicitation Phase:

- **Construction documents are prepared as one package without breaking out the documents into shell and TI components.**

- **The RFP alerts offerors in the Method of Award Section as to how the offers will be evaluated and includes a discussion on how the pricing will be evaluated for base contract work, TI, options, unit pricing, etc. The above process is used in competitive, negotiated procurements. In this scenario, pricing will usually be based on the total evaluated proposal price.**

- **The Method of Award Section will also alert offerors that those firms determined to be in the competitive range will be required to break-out their overall price proposals into appropriate Shell and TI components in accordance with the pricing policy to further be considered for award.**

  Sample language that may be inserted:
  This project requires that the contractors determined to be in the competitive range will be required to break out their price proposal into various components to be considered further for award. This requirement will involve the contractors breaking out their proposal

into shell and TI amounts. Contractor proposals for each of these components will be evaluated separately as well as in total. Contractors are cautioned that pricing submitted in each of these components are to reflect the work required in each of these categories. The General Services Administration (GSA) will evaluate each of the components to ensure that the prices received are reasonable for the scope and are within budget. The provisions specified in FAR 52.215-1 - Instructions to Offerors will be enforced.

- **Standard contract language concerning how materially unbalanced pricing will be addressed is included in the RFP through the insertion of Federal Acquisition Regulations (FAR) clause 52.215-1 - INSTRUCTIONS TO OFFERORS - COMPETITIVE ACQUISITION (MAY 2001) for negotiated contracts. This clause should be highlighted in the RFP and discussed at Pre-Proposal/Bid Conferences.**

- **Stress to offerors both in the construction RFP and at any Pre-Proposal Conference that firms determined to be in the competitive range will be required to break out their price proposals further to continue to be considered for award. Explain the GSA pricing policy.**

  Sample language:
  The General Services Administration has an established pricing policy that governs rent charges to our customer agencies. To ensure that rent is accurate, GSA is required to capture costs for the construction of shell and TI by customer agency consistent with this policy. Accordingly, those in the competitive range will be required to submit such breakdowns as part of their price evaluation and continued consideration for award.

- **The pricing policy definitions for shell and TI are provided in the construction RFP so that all offerors are aware of how the subsequent pricing will be required to be submitted.**

- **A sample bid sheet is not provided as this scenario does not require the separation of costs into shell and TI by agency at bid/proposal time. However, what is required is that the offerors in the competitive**

range separate their proposal costs into shell and TI by agency for further price evaluation. This guidance recommends that the project teams utilize the Construction Specifications Institute (CSI) estimate sheets prepared at the end of the design for this task. As the A/E is required to submit separate estimates for shell and TI work for each agency in CSI format. Project teams are encouraged to issue these templates to the general contractors for use in breaking out their total evaluated bid/proposal price into the various shell and TI components. It is suggested that these sheets be issued to the competitive range without the quantity and estimating data and includes only the various work categories on these sheets. This will facilitate comparison of construction proposals to our estimates.

Proposal Price Evaluation Phase:

- **Evaluation of the proposals are conducted as usual to determine a competitive range.**

- **Once the project team has determined those firms in the competitive range, those firms still under consideration are requested to submit their price proposals in the various shell and TI components by agency. Project teams may utilize the CSI format estimate sheets generated by the A/E and/or CM firm during design as the template to obtain this pricing.**

Negotiations are held with all offerors in the competitive range as necessary to ensure all costs are submitted for the shell and TI components by agency, prices are reasonable, and prices are within budget for shell and each TI.

Chapter V Transition Projects

Introduction

This table describes ways pricing can be implemented while in different phases of a project. The Project Stage describes the phase your transition project is in when you are starting to implement pricing. If your project is in design, go to the In Design column and follow the how-to-steps across the different project phases.

A. DEFINITION OF A TRANSITION PROJECT

A project that has had its prospectus submitted to Congress using other than the referenced GSA Pricing Policy (formerly know as New Pricing) to determine the funding requirements.

B. TRANSITION TABLE

Project Stage	How to apply the Pricing Policy to Design	How to apply the Pricing Policy to a CM Contract	How to apply the Pricing Policy to Construction
In Design	Request the A/E break out the shell and TIs by agency. Request a break out of costs for programming, design intent drawings and construction drawings. The cost for construction drawings needs to be broken out by agency. It is recommended to use a "Delineation Method" to get separate prices for the shell and each tenant agency. The Design Fee may be prorated. Separate change orders and track the costs accordingly. PARS/PT will update or create an OA using the agency's cost for construction documents and estimated TI costs.	If you are using a CM, prorate the cost and modify the CM contract for financial tracking.	See Design Phase, PBS Pricing Implementation Guide for Project Management - The pricing policy can be implemented with one of the recommended methods.
In Construction	Develop a break out of shell and each TI based on construction documents (after the fact). Costs associated with construction documents should be broken out by tenant. PARS/PT will update the OA using the agency's cost for construction documents and the TI costs from the options listed in the last column.	If you are using a CM, prorate the cost and modify the contract for financial tracking.	Option 1 - Request the contractor or CM/CMc to breakout the prices by Shell and TI per agency. Option 2 - Hire independent party to look at contract awards and change orders and to provide a breakout of shell and TI by agency.

Please note: For prospectus level projects in Federally owned facilities, the tenant improvement allowance is based on the level of funding requested and allowed by Congress for the project. It may or may not be equivalent to the general and customization allowances. It may be based on benchmark numbers or the program development study estimates.

The project team will determine the most appropriate method of implementation and identify funding resources.

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Chapter VI Appendices

Frequently Asked Questions
References
Definitions
Acronyms

Frequently Asked Questions on Pricing Implementation for Project Management

1. Why Pricing?

Why not pricing?

2. Please provide an example of an adjustment between shell and TI.

If the logical presentation of the plans to the construction market calls for depicting the complete HVAC system on the shell documents (consistent with the current GSA building shell definition), then all the HVAC distribution components could be shown on the shell documents. However, if a particular tenant's HVAC system entails an upgrade to the building shell HVAC system, as defined in Section 2.2.1 Shell Definition of the PBS pricing desk guide, then the Project Team should assign the required additional ECCA funds to the shell budget in the A/E contract to cover the additional HVAC upgrade costs whose scope is included in the Shell documents. Concurrently, the costs for the tenant's upgrade will be deducted from their TI budget.

Similarly, if the team elects to show a special courtroom ceiling on the TI documents, then the ECCA funds for the cost of the standard shell ceiling system in the affected area should be reassigned to the TI budget/plan that depicts the courtroom space for the tenant. By dividing the project ECCA budget to align with the team plans for presenting scope documents for obtaining construction pricing, the design A/E will have an ECCA budget for each bid document sub-component that matches the scope depicted in the documents. This approach of separate shell and TI documents has the added contract advantages of allowing separate TI prices from each bidder/offeror for each tenant's TI work. It also creates a baseline set of documents for clearly establishing cost and change order

tracking for shell and each tenant's TI work during the entire construction phase. The team should collaborate with the design A/E and CM on the best method to accomplish the document preparation.

3. When should the project team use cost estimates versus bid prices to establish shell and TI budgets?

The project team will utilize cost estimates early in the project development phase through the design phase. When the project is marketed for construction, the team will then utilize bid prices to adjust the shell and each tenant's TI budget.

4. Would it be acceptable to obtain a lump sum price for the TI work for a major tenant agency, i.e., the District Courts; and then prorate the prices to each of the tenants, i.e., Clerk of the District Court, Probation, etc., based upon an allocation of the estimated ECCA for their respective spaces?

Yes, this is a reasonable approach for transition projects.
Also, this may be used to meet special client needs, i.e., the Courts as cited in the question above. If all tenants concur, this is a reasonable approach to establish each TI budget. OA updates should reflect this agreement.

5. Should we have all the prospective bidders submit extensive price breakdowns into shell and TI components during the bidding phase or may we limit it to one contractor?

Extensive breakouts may be limited to a competitive range of offerors. Discussions to evaluate the various breakouts will result, therefore, you may not limit such a breakout to only one contractor. Once you enter discussions with one offeror concerning material aspects of their offer, you must enter into discussions with all offerors within the competitive range.

6. May we request price breakouts into shell and TI components from the successful offeror after award?

No. The goal in pricing is to receive and negotiate pricing onto shell and TI components within their respective budgets. When bids are over budget in any one component, project teams have three alternatives: 1. Obtain an RWA, 2. Enter into discussions to reduce or change scope, 3. Do not award this part of the project. If you wait until after award, reaching the above goal may not be possible.

7. Given the following scenario, in terms of best value to the Government, to whom do you award the contract? Do you show these spreadsheets to the tenants?

Contractor A	**Shell**	**$500,000**
	IRS TI	$175,000
	SSA TI	$ 75,000
	VA TI	$110,000
	Total	$860,000
Contractor B	**Shell**	**$450,000**
	IRS TI	$200,000
	SSA TI	$100,000
	VA TI	$ 90,000
	Total	$840,000
Contractor C	**Shell**	**$450,000**
	IRS TI	$150,000
	SSA TI	$ 95,000
	VA TI	$100,000
	Total	$795,000

Assuming that the shell and the individual tenant improvements prices are within their respective budgets, award would be consistent with the

source selection procedures outlined in the construction RFP and/or method of award used for the project. For example, if the team used source selection procedures that includes an evaluation of both technical and price factors, award would go to the firm providing the best overall value to the Government, considering both price and technical factors. There is no need to show the spreadsheet to the tenants unless they are on the source selection team. If all of the breakouts are within budget, then you have met the terms of the OA with each tenant.

Price breakouts are obtained to insure bids received are within the TI budgets discussed throughout the project development and design phases. The team's focus during these phases will be on obtaining good TI estimates and communicating this information to each tenant. It is recommended that the team focus on the TI budgets reflected in signed OA's. Aside from doing separate procurements, such issues will arise. Again, the focus is to do the best job we can in estimating the tenants TI costs based on their decisions.

8. What happens during the price/technical evaluation process and during the negotiation process, if the project team determines that the contractor providing the best value to the Government overall, in terms of technical and price factors, has a particular TI price breakout that is over budget for a particular agency?

The team's goal is to bring all contractor prices within the respective shell and TI budgets. In some cases, there may be a TI budget that is over budget among all offerors or over for some offerors and not others. As these issues arise, the project team will need to enter into discussions with the contractors to attempt to determine what is causing the overrun. If the team determines that the overrun is reasonable when evaluating contractors proposals overall, the team may need to pursue the following options:

1. **Seek an RWA from the agency for the additional amount;**
2. **Contact regional portfolio for possible reprogramming of funds;**
3. **Reduce scope to get an agency's requirement within budget.**

9. What if the IRS has $150,000 budgeted for their space (Contractor C meets the IRS need), and GSA awards to the low bidder (Contractor B) who has submitted a price of $200,000 for the IRS space? Does GSA ask IRS for an RWA for the difference in the budget and the bid price? Does GSA reconcile with the contractor and move money around to make the proposal fit the shell and each TI budget?

NO! The Project Team is NOT permitted "to move money around". Obviously, this will be a difficult decision for the team. The team will need to try to get all contractors within budget during negotiations. Once the Final Proposal Revisions are received, as this scenario presents, the team would not be able to award this work without an RWA from IRS. The team could:

1. Delete the TI work for IRS and pursue their work with a different procurement;
2. Attempt to de-scope and get the IRS TI work within budget after award; or
3. Contact regional Portfolio for possible reprogramming of funds.

References:

GSA Public Buildings Service Pricing Desk Guide (PT)
http://hydra.gsa.gov/pbs/pt/opm/pricing_desk/index.html

GSA Feasibility Study Guide (PT)

DOJ's Vulnerability Assessment Guide

GSA's Security Guide Criteria

GSA Handbook, Project Estimating Requirements, PBS P 3440.5 (1981)

Federal Acquisition Regulations (FAR)

OMB Circular A-94

Definitions

RWA (Reimbursable Work Authorization) Authorization by an agency to spend funds. Required when tenant exceeds their TI allowance.

Components of RWA

Estimated Cost of Work (bricks and mortar)
+ Contingency (if applicable)
+ A/E contract fee (if applicable)
+ CM contract fee (if applicable)
= Subtotal
+ 4% Project Management Fee (see ***PBS pricing desk guide*** for details)
= Subtotal
+ RWA overhead (sliding scale)
= RWA required

Space Planning – Design Intent Drawings

PBS provides Design Intent Drawings (DIDs). DIDs are nearly complete architectural drawings which show partitions and doors; schematic demolition; voice, data, and electrical outlet locations; finishes; generic furniture layout, and any additional details necessary to communicate the "design intent" to the owner's (lessor or PBS) architect for the purposes of preparing construction documents. The cost of design from construction documents forward is charged against the TI allowance. DIDs do not contain mechanical, electrical, or plumbing specifications or drawings. They do not carry furniture or computer and telecommunication specifications; nor do they contain signage, artwork, keying, or hardware schedules. An initial submission plus two on-board reviews are included. An extra fee would be required for the following items:

- Additional iterations of layout drawings
- Specification and finish schedules for furniture and equipment (i.e., personal property)
- Extensive program development, such as detailed performance specifications and cost estimates for specialty-type spaces: lab; conference centers; computer facilities; etc.

For purposes pricing implementation, DIDs are synonymous with completion of the design development phase.

Functional Space – includes TI's necessary to satisfy the operational needs of the tenant. PBS policy is not to employ the general and customization allowances for projects in which PBS has done both: 1) extensive development of a space program of requirements (POR) for the tenant(s); and, 2) cost estimating, (using established national benchmarks or other measures, that determine the value of functional tenant space based upon that POR). The cost estimate to provide functional space becomes the TI allowance.

PBS Pricing Policy-

The policies and practices PBS uses to price real estate & related services to Federal agencies. First introduced in 1996 as "New Pricing", it is now referred to PBS Pricing Policy. (*GSA PBS pricing desk guide*, edition number 2.)

Acronyms

A/E	**Architect/Engineer**
ABP	**Asset Business Plan**
ADA	**American's with Disabilities Act**
ANSI	**American National Standards Institute**
ASHRAE	**American Society of Heating, Refrigerating & Air Conditioning Engineers**
BA	**Budget Activity**
BAFO	**Best and Final Offers (now known as Final Proposal Revisions)**
BER	**Building Evaluation Report**
BOMA	**Building Owners and Managers Association International**
CAD	**Computer Aided Design**
CD	**construction documents**
CILP	**Capital Investment & Leasing Program**
CM	**Construction Management (was known as Management & Inspection [M&I])**
CMc	**Construction Manager as Constructor**
CO	**Contracting Officer**
COR	**Contracting Officer Representative**
COR/PM	**Contracting Officers Representative/Project Manager**
COTR	**Contracting Officers Technical Representative**
CP	**Client Plans**
CSI	**Construction Specification Institute**
D/B	**Design/Build**
DID	**Design Intent Drawings**
DOJ	**Department of Justice**
EA	**Environmental Assessment**
ECCA	**Estimated Construction Cost Award**
ECR	**Existing Conditions Report**
EIS	**Environmental Impact Statement**
FAR	**Federal Acquisition Regulations**
FBF	**Federal Building Fund**
FPR	**Final Proposal Revisions (was known as Best and Final Offers)**
FS	**Feasibility Study**

GCCRG	**General Construction Cost Review Guide**
GMP	**Guaranteed Maximum Price**
GSA	**General Services Administration**
HVAC	**Heating, Ventilating and Air Conditioning**
LCC	**Life Cycle Costs**
LPP	**Local Portfolio Plan**
M&I	**Management & Inspection (now known as Construction Management services)**
MAPP	**Multi-Asset Portfolio Planning Model**
NA	**Needs Assessment**
NEPA	**National Environmental Policy Act**
NFPA	**National Fire Protection Association**
NIST	**National Institute of Standards & Technology**
NTP	**Notice to Proceed**
NPV	**Net Present Value**
OA	**Occupancy Agreement**
OCA	**Office of the Chief Architect**
OMB	**Office of Management and Budget**
PBS	**Public Buildings Service**
PDRI	**Project Delivery Rating Index**
PDS	**Program Development Study**
PMP	**Project Management Plan**
PO-CT	**Post Office – Courthouse**
POR	**Program of Requirements**
PX	**Office of Business Performance**
R&A	**Repair and Alteration**
R/U	**Rentable to Usable**
RFP	**Request for Proposals**
ROI	**Return on Investment**
RWA	**Reimbursable Work Authorization**
SBC	**Standard Building Code**
SDD	**Space Design Drawings**
SF	**Standard Form**
SFO	**Solicitation for Offers**
SLFF	**Standard Level Features & Finishes**
TAPS	**The Automated Prospectus System**
TI	**Tenant Improvement**

UFAS	**Uniform Federal Accessibility Standards**
USATTY	**U.S. Attorney**
USCDG	**U.S. Courts Design Guide**
USDC	**U.S. District Courts**
USF	**Usable Square Feet**
USMS	**U.S. Marshall Service**
VAV	**Variable Air Volume**